Procedures of Planning in Developing Countries

(A Study of the Political Theory of Planning)

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PREFACE

There are many works on 'Planning' even as there are on 'Democracy'. Owing to the paucity of language all the different sets of orderly actions men perform (to gain ends) irrespective of whether they are morally and ethically justifiable or not, (as for example launching upon a battle or building a new township or a house, or seeking to change the existing socio economic set up) are all connoted by the same term Planning. Alice might as well repeat what she said to Humpty Dumpty—"That's a great deal to make one word mean!" Hence it is better at the outset to indicate that the particular use of the term we have in mind here is as is applicable to the various actions the state performs in its capacity as the most powerful social institution to bring about a change in the socio economic set up towards what the political forces in the country consider as the most desirable. It is also to be assumed that these actions ought to be rational and systematic and not haphazard.

The emphasis in the following pages is also not so much upon the substantive aspect of planning where one has to indulge in value judgments as upon the procedural aspects indicating the sequence of steps that the administrative institutions have to cover in order to reach the goal set forth. A number of countries today have launched upon 'Planning'. Though each of them has its own definition of the term, it is generally agreed that planning is a method to bring about a harmonisation and not discord among human institutions in the social matrix. Successes achieved by these countries may be of varying degrees but problems faced and solutions tried are not to be neglected if one should profit by past experience. Quite a great deal has been taken from Indian conditions since India happens to be unique in trying Five Year Plans in a democratic context, which is why it is premature to judge the successes or otherwise of this experiment.

Planning as understood herein should be viewed not in its narrow sense but as a composite of various facets—a political process in its formulation, a managerial technique in its implementation and as a philosophy for securing harmony and good life

That does not mean electicism but a synthesis of the various disciplines that impinge upon or ought to influence a proper study of planning

What has been jotted down here may not be of application in its entirety to any one country since different strands are taken and woven into the main texture Nothing is exhaustive but at best, illustrative Nothing new is claimed to have been expounded which is of a startling nature Hasn t wise Solomon already said that there is nothing new under the sun ?

I am thankful to various colleagues of mine in The Institute of Social Studies The Hague who came from different countries and with their discussions enriched my knowledge I have to express my heartfelt gratitude to Dr J In t Veld for his guidance which was at once kind and firm

K. Seshadri

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Extension of the skills of engineering into the field of economic and social universe to bring about a peaceful transformation into modernity is the task that has to be managed in these countries Elimination of friction that usually follows a change, bringing about a proper coordination between the advanced countries and the new nations between technological development and social uplift ment are a few formidable challenges that have to be taken up The belief that the benefits of civilization can be shared by all the human race must be translated into action

In this context the question 'plan or no plan is anachronistic The relevant quest is to discover the type of Plan and the manner of procedure that would harmonise the disproportionate growth of the technological knowledge with the limping social skills and temperaments attuned to the past era of handicrafts and horse carriages No disparagement is suggested of either handicrafts or horses whose elegance and beauty can hardly be surpassed But modern transport on the quadruped or production by digital dexterity is neither physically possible nor economically feasible howsoever sentimentally desirable they might be The quest should also extend towards a stabilisation of the tensions caused by this imbalance among the several countries standing at differei points in the developmental continuum At one extreme ar the affluent societies and at the other the poverty stricken, disease ridden ignorant ones that stare at the wonders of modern age with an indifferent awe The knowledge that man has come to possess is of a dimension that has made a reconsideration of Marx s aphorism expeditious

Hitherto philosophers have only interpreted the world but the point is to change it 1 Social change can be brought about only by the political process

The question is what actually i the picture of this changed world ? A changed world can also mean a pile of shambles caused by radio activity That is not what is wished for It should mean a different world from the troubled one of the pre sent day—in which the 'Four Freedoms are more meaningful There can be no room for chance and fortuitousness in achiev ing this consummation

1 *The Communist Manifesto*

The scope of this present work is not so grandiose as to suggest procedural steps for a planned world development It confines itself to an attempt at formulating a procedure for communities which have lagged behind in the unequal race of the nineteenth and early twentieth centuries As a result many of them have either been directly under colonial or semicolonial rule or have not stepped into the fringes of modernity They have not yet developed proper political economic and administrative institutions to shoulder the responsibilities devolving on developing societies The original question plan or no plan' might again be debated within the restricted sphere of these societies

Planning presupposes a definite stage of development as evidenced by the existence and fuctioning of certain minimal conditions A stable society as opposed to a nomadic society with a monetary system banking facilities, technical man power, research and statistical institutions of reasonable competence and a general desire among the people to better their lot are about the least a country should possess before launching on planned activity A special structure that freezes men in the occupations of caste or family heritage and does not reward them in accordance with their individual skill but does so only on the basis of birth, obviously stands as a mighty obstacle

Man from historical times as a rational animal has always planned as evidence furnished by archaeology has indicated [1] But when social and economic development has to be engineered through State Planning there is a great difference between a developed country and a developing or an under developed country in the quantum of State control While in the former ones planning needs only a minimum of direct State intervention in the latter without direct or maximum participation by the State there can be no planning for development In the highly developed countries State intervention in the social and economic life of the people has been due and is limited to the need for co ordinating these fields with the mighty scientific and technological ventures which the governments have taken up As these mighty

1 Planning is known to have developed to a very high degree of efficiency in the field of town layout in ancient India China and elsewhere See E A Gutkind *Revolution of Environment*' Kegan Paul Trench Trubner & Co Ltd London 1946 pp 19 22

scientific ventures and huge defence programmes are State planned, of necessity therefore, State intervention has to enter into fields which hitherto had been left to the self regulating economy to achieve overall coordination in the country's growth These countries have also got the sufficient administrative talent commensurate with heavy tasks they are now called upon to discharge

These countries have now become Administrative States' in the true sense of the term It is an age of expanding Governments In spite of their affluence the experience of the two World Wars has clearly shown that if the Government does not expand and the activities of the socio economic universe are not intelligently directed and controlled, the result would be depression unemployment and war They have to secure full employment control inflation and provide social security Whether they like it or not huge space programmes have to be embarked upon to keep their position intact in the present power configuration if not to improve it

But as these countries already had well developed economic political and administrative institutions like well regulated markets banks dynamic entrepreneurship, politically conscious electorate broad based education well organized press and platform and above all people with a sense of national discipline, planning had only to confine itself initially to the existing conditions and thereon imperceptibly and indirectly bring about suitable change Delicate adjustments in the fiscal measures, controls and incentives according to the policy needs are enough to bring about broad changes Added to these the existence of reasonably incorruptible and efficient administrative services that would see to the proper implementation of the policy measures make the planning operation look less obtrusive

The situation in the developing countries presents a disheartening contrast Not even the private enterprises such as they are are properly planned The political and economic institutions are of varying efficiency Education sense of national discipline and character and other concommittants of modernity are lacking Corruption among administrative officials and politicians is proverbial Under these conditions free market operations and freedom from State controls and intervention seem to assure more honesty and efficiency in services as competition would auto

matically eliminate these evils At the outset therefore, the question 'Plan or no plan seems to be still alive

The very arguments which are adduced against planning are in fact the very arguments in favour of more dynamic planning approach by the Governments The underdeveloped countries have to step up their growth not at the rate which the self regulating economy would permit That would mean not only delay in progress but a great deal of dissipation of national wealth into channels unnecessary for the progress of the nation In an unregulated market a jeweller or a maker of luxury goods or a money lender will do prosperous business Dynamic enterpreneurship is lacking and hence the activities like the ones mentioned which are unproductive will flourish There is therefore, a great deal of dissaving The people would try to copy the life of the advanced countries in superficialities what the economists would term as 'demonstration effect' There is that propensity to consume which disproportionate to the income keeps on expanding

The population explosion in underdeveloped countries keeps draining whatever little capital formation that occurs, as such saving or investment goes beyond the pale of what is humanly possible Lack of education will prove an impediment in the implementation of projects whose need has to be appreciated by the beneficiaries Transport supply of power and other items of infrastructure cannot be undertaken except by the State These can be undertaken only when these meagre resources at its command can be exploited to the optimum level These cannot be again dissipated for ventures which are unproductive in the National interest Hence a proper control and a rational ordering of things become inevitable Dynamic entrepreneurial role has to be assumed by the State because it is the only sector in these countries that can command the adequate technical and managerial skills

The pace has to be accelerated if these countries have to keep to the fringes of modernity As the advanced countries keep accelerating their pace and more and more of technological improvements are added on, the definition of modernity itself would undergo a change The disparity between the two then is not one of degree

There seems no other way but to accept planning by the State

in all spheres of human activity The future is one of definition, application of procedure methods and techniques Planning is not just an economic issue alone It is a more vital question of social policy for humanity What is the procedure that has to be followed independent of the values the Governments want to promote ? It is in this quest the administrative science is interested

It is the characteristic of the modern Government to expand and it is not correct to throw the blame for governmental expansion on planning If expansion of governmental activities become inevitable a planned effort is better than unplanned interference

Every political philosopher formulates his theory towards securing a good life [1] however faint his hopes of realizing it may be To the extent that the writings are remote from the proximate reality to that extent the theory becomes a utopia There is basically nothing wrong with utopias and building castles in the air so to speak As Henry David Thoreau said one can put the foundations after building castles in the air Man strives his hardest to rise against the environment and subserve the forces of environment to his needs For this the whole range of scientific techniques is at his disposal Going back now on scientific advancement is out of the question

With this tremendous growth of science and technology the existence of human misery side by side has become a shameful paradox Man does not live by bread alone But if denied bread he cannot live at all The result of it would be chaos strife and annihilation of human civilization Every Government worth its salt has to work for securing certain social ends And man has to work within his limited resources, utilizing all the scientific knowledge he has accumulated throughout the ages by organizing and coordinating these resources to achieve the maximum desired results I cannot improve on what Dwight Waldo has said I quote him

Planning is the means by which the discipline of science applied to human affairs will enable man to incarnate his purposes It is the inevitable link between means and ends Moreover

1 What constitutes good life is one of value judgement though certain basic minimum points are generally agreed upon

it is in itself an inspiring ideal For once it is realized that there is no natural harmony of nature, no Divine or other purpose hidden beneath the flux and chaos of present planlessness, it becomes immoral to let poverty, ignorance pestilence and war continue if they can be obliterated by a plan Although there is some disagreement as to the nature and desirable limits of planning, students of administration are all planners "[1]

Though in the beginnings, planning was confined to physical aspects gradually these techniques were employed in economic and social spheres as well Today when one speaks of planning at the national level or the regional level, it embraces all these aspects It impinges on many more disciplines as we enter wider horizons Whether the unit of plan is expressed in time as an annual plan five year plan etc or in space as a regional plan and a national plan, or any combination thereof the plan has to transcend the barriers of narrow technical specialised knowledge of each of these disciplines and calculate the net residual impact of all these on the community for whose benefit it is formulated and implemented Each need is so intertwined with the other that if planning were to be adequate it must visualize a comprehensive picture of the future Planning essentially relates to the future

We find in the earlier literature on planning most of the discussion being devoted to the economic institutions and a total omission of their impact on social institutions The social tensions that would develop as a result of a certain measure in the economic field seemed to have been completely ignored or overlooked The scale of values of the planners and that of the beneficiaries may differ bringing undesired result[2] This also is an indirect effect of looking at planning through the prism of Soviet Five Year Plan That planning has to comprehend the mutual action and reaction of social, economic and political institutions upon each other is a later realization Social norms traditions customs and *mores* cannot be easily overcome even though they are impedimental

1 See D Waldo *Administrative State* Ronald Press Co N Y 1948 p 67

2 Vide S Ossowski Social conditions and consequences of social planning' *Transactions of the IV World Congress of Sociology* 1959 for a description of the tensions caused in Poland when this difference was not attended to

The notion seems to have been that economic upliftment would act as a panacea for all social evils and hence the Soviet planning showed a heavy accent on economy and technical progress Many intangible social problems become sometimes intractable as economic development takes place unless a proper coordination is effected between the two There are social obstacles to economic development and vice versa Ignorance of this leads to the various tensions experienced in Soviet Union in the earlier stages of plan implementation If the state loathes to adopt coercive methods for breaking up the traditional and backward institutions planning has to envisage a balanced harmonious and smooth development of economic and social factors More of this later

Apart from these another distinctive feature of the Soviet Planning is the attempt on the part of the Communist Government to build an entirely self sufficient economy independent of foreign trade and foreign technical assistance Practice of economic isolationism even at the expense of incurring greater expenditure for securing self sufficiency puts undue burden and strain on the economy at least in the early stages of the plans Whether the Soviet Union has been able to accomplish this object or not the sacrifice seems to have been out of proportion to the advantages thus gained by isolating itself from international economic organisations Finally it had to come into the international market In an age when international cooperation in not only economic field but also various other fields as well is the general trend a policy of isolationism may not prove to be of much benefit to countries contemplating planning

People s China had the initial advantage of securing technical aid and capital goods from the well advanced Communist countries of the West Therefore she did not have to go through the same birth pangs as Russia had to during the earlier years of the Revolution In addition China did not follow the same policy of isolationism followed by Russia On the contrary China had been actively wooing all the erstwhile imperialist countries for trade facilities The quantum of her trade with the West has shown a greater rise than with the East European countries after the Sino Soviet rift For example by 1967 West Germany displaced U S S R as China s third largest trading partner The

Soviet Union fell from third to twelfth among China s trading partners [1]

There cannot be planning in a society which does not have certain basic minimum conditions While there may be many States where some of these absolute minimum conditions are absent there cannot be any community which has no social memory By basic conditions we do not mean the political limitations that arise out of the innate differences between various contending forces of political and economic power The whole means and ends scheme may be hotly disputed without anything being done at all in any direction This has to be resolved as any political issue and planning is involved in the political struggle itself Politics dramatises change and it permeates into every social activity But there may be good politics and bad politics In a State where the political situation itself is in a melting pot and the drive for power excludes reason interests of small groups or those of a rump prevail over the general interests an enduring policy is difficult to be formulated This is not saying that political elite in any country will be composed of a large number of people

Formulation of a political process, which goes before planning How policy is made and formulated and what role various pressure groups parties wisemen leaders and 'public opinion etc play in the policy making are questions which depend upon the peculiarities and genius of each country Policy may be political economic social ethical or a combination of all It does not mean that there can be an exclusive political policy which does not have its repercussions on the economic and social conditions nor an exclusive economic policy having no political or social consequences But a sound policy is one which takes a multiple view and coordinates them into a coherent and consistent line of action, commensurable with the moral, legal and ethical concepts of the community as otherwise administration would be subject to the vagaries and vicissitudes of the ruling group It is a declaration of the type of public life a community wishes to seek as expressed through its political institutions An economic and social policy

1 See *Current Scene* Hongkong Vol V No 19 July 17 1968

2 Some constitutions like those of Eire and India have directive principles of State policy incorporated in their constitutions These are not the policies that are contemplated here

is the sum total of all the governmental activities which determine the economic and social framework Should the existing framework be changed or not is the main question before policy formulators If the conditions existing in a particular social or economic framework are not sought to be altered the policy is passive The policy becomes active and dynamic when by its introduction the existing framework is sought to be changed

In a democratic set up, policy is constantly being subjected to examination in the legislatures where open discussions take place Informally the plurality of social organizations assure democratic function To plan or not to plan is itself a policy We take for granted that on this broad issue there is agreement that there should be a plan After that there are alternate policies yielding different results A choice has to be made from these policies

For example to step up the standard of living in a given country, should industrialization be started or should the existing agriculture be developed more efficiently, or should industry be small scale with agriculture forming the main backbone of the economy or any other alternative thereof are all matters of policy on the economic front Likewise on social and political levels policies are formulated and these are all coordinated into one national policy

Now the stage is set for the plan formulation Planning is neutral to value judgements while policy is fully involved in them As an example mention may be made of the case in India An eminent engineer and statesman Mr M Visweswaraya advocated rapid industrialization for India while Gandhi sought solution in 'simplicity, decentralization and cottage industry These are two sets of value judgements which enter into play when a policy has to be formulated

As plannning starts, questions of subordinate policy determination will naturally arise and at every stage value judgments will come into play Policy formulation has to be properly planned and planning is a series of procedures to achieve the policy

Procedure becomes a routine in the administrative organisation once it has been found to work most efficiently It become a method of management in handling the apparatus of Government

Even in the case of launching upon a development plan, if efficient procedural steps can be built up the planning activity from then on can progress smoothly and efficiently   This procedure is inextricably linked up with the policy itself If the policy is one of turning a country into a war machine, then the procedure for such a plan is not and cannot be the same as when the policy is committed to the economic upliftment of the people For the latter type, a procedure which will help making the plan vigorous and enduring has to envisage the maximum awareness and participation of the people at large   The benefits as well as the responsibility have to be shared by all—the legislators the techicians, the executives and the general public   The procedure, therefore, is a sum total of all the necessary methods which encompass all these aspects   It is a sequence of steps, with built in mechanisms for change adjustment and adaptations and constant reappraisal of our accomplishments and definitions   Computorisation has taught us the need for a 'feed back   It is not just a bureaucratic ritual

Whatever the geographic or philosophical setting planning is a set of procedures involving the following broad elements

1 Looking to the future and forecasting is implied in the concept By future is meant a foreseeable future No human being has the omniscience to see too far into the future   Hence any plan that envisages a longer period than a normally prudent human being can comprehend will become pure romance   Our definitions, our values and even our truths are subject to constant change and planning calls for a periodic assessment and reappraisal

2 Planning is a part of the political process, of the country in which it takes place   Planning is preceded by policy formulation which is a result of political choice   As planning is being implemented the various decisions that have to be taken at every major stage on substantive issues cannot bypass the political processes that are at work

3 Planning is a set of orderly procedures   It is a theory based on the philosophy of ordering the future in such a way as to maximise the advantages and minimise the disadvantages of a given situation and a practical methodology for implementing the theoretical assumptions   It is at once substantive and pro

cedural— A process in which policy, decided by a completely separate political process is translated into a set of operational orders for the execution of the policy decided (Stockholm) [1]

For achieving a particular goal granted that there exists agreement on the goal itself there may be many alternatives The proper strategy lies in choosing the proper path, in the choice of priorities This requires the technical knowledge of a planner with high degree of courage foresight, imagination and analytical thinking If every alternative could be quantified to mathematical units the part played by the human element can be minimised The permutations and combinations of the various elements that come into play with each choice are so many that no mathematical computation of the values of each choice is possible It is here that the human skill and intelligence of a planner come into play Together with them come the value judgements

Not only at the high level of broad policy formulations but as we descend into operational sub levels sub alternatives develop As the base thus gets broader and broader it is inevitable that there should arise need for decentralization and delegation at local levels

'Planning implies a systematic procedure starting from the top and the bottom at the same time It includes large scale plans as well as local plans or in other words Its general frame work consists of a national plan while local plans constitute as it were the cellular components which are bound together through the medium of regional schemes [2]

4 The concept of the unity of theory and practice in planning though so significant is still not fully grasped There is much truth in what H S Person says There is too prevalent a habit of thinking about planning and execution as wholly distinct that the planning unit plans some line of action and then forgets about it the executors taking up where planning ended Such thinking is unrealistic and misleading [3]

1 Quoted by John R Seeley What is Planning *Journal of American Institute of Planners* Vol XXVIII No 2 May 1962 p 93

2 F A Gutkind Chapter on Planning' from *Physical Planning* Ed Ian R M McCallum Architectural Press London p 65

3 H S Person Research & Planning as functions of Administration and Management from *Ideas and Issues in Public Administration* Ed D Waldo McGraw Hill 1953 p 404

Planning, therefore, presupposes a well organised administrative machinery which is dedicated to a new and dynamic thinking in keeping with the development that is taking place in all the disciplines A well organised administration in its turn presupposes an equally efficient administrative leadership

Rejection of traditional methods which are unsuitable for the period of accelerated economic development and social change is the preliminary step in planning, especially in the new States The tensions that are bound to arise have to be considered and methods for reducing them have to be devised

To sum up we may say that in a developing country where the society has broken away from the traditional pattern of social relations, planning is a systematic process embracing the total behaviour of the political order in which it takes place projected towards the future involving decisions to make choices and allot priorities for attaining the maximum social good through the instrument of administrative machinery and other means, attracting the participation of the people by making them recognize their needs

PREREQUISITES OF PLANNING

Planning as we understand it now should harmonise the social economic and political changes that transformed the feudal system into an industrial one The pernicious effects of the Industrial Revolution and the great global wars have forced people out of their complacency and the gigantic success of the Russian Plans which placed a most backward feudal country on the map of political power have been greatly responsible for the general acceptance of the planning measures

According to the Webbs Lenin is reported to have written in 1920 to Krizhizhanovsky asking him to produce a 'plan for a period of 10 or 20 years by which electrification could transform the whole agricultural and industrial backwardness of Russia and be a shining unimpeded prospect of work for the people The famous formula of Lenin was Government by the Soviets plus electricity is communism[1] In 1919 a Russian Professor V I Grinevetsky's book *Post war Prospective of Russian Industry* based on capitalistic economy gave a blue print to planning and Lenin is said to have used it as a basis for the Gosplan[2] Marx and Engels have never mentioned anything about planning

Rathenau the German Chancellor, is also credited to have planned the German production to meet the exigencies of the World War I and surprised the World by Germany's unprecedented success[3]

But the Five Year Plan model with its time limit fixed targets and penalties for nonfulfilment of tasks is Russian invention

[1] Vide Sydney & Beatrice Webb *Soviet Communism A New Civilisation*, p 615

[2] Vide H W Laidler *Social Economic Movements* Routledge & Kegan Paul Ltd London 1953 p 317

[3] That is why John Jewkes remarks It seems to have originated as many evil ideas originated in Germany in the War of 1914 18 when it was conceived of as a technique of war administration John Jewkes *Ordeal by Planning* Macmillan & Co London 1949 p 2

and not a Western invention Mr John Friedman makes an erroneous claim and tries to examine the question of the applicability of planning to the non Western societies on the basis of this sweeping assumption This is what he says

"Planning is a strictly Western invention which has grown out of the European tradition of science and rationalism and particularly out of the traditional belief that man can gain mastery over his environment The slogan—Man makes himself—is a Western slogan To what extent and under what conditions can it be transferred to the evolving non Western societies ? [1] This assertion betrays a semantic confusion Physical planning was known to men during the periods of early civilization The seats of these civilizations were Egypt, Mesopotamia, China, India and none of these is a Western country If it was a western notion there was much ado about nothing All the writers like *Mannheim, Barbara Wootton, Finer, Hayek and Von Mises have* split much ink over an issue on which there could have been no controversy Gordon Childe who coined the phrase Man makes himself has written a book with the same title describing not the Western civilization but the oriental ones

The plan as we understand it in the modern context of engineering a social change within a fixed period of time and definite stages of progress to be reached is undoubtedly a Russian Communist invention Otherwise one finds no justification for all the controversy over the word 'planning The French planning going under the name of Modernization Plans are not to a little measure due to the preponderant communist composition in the immediate post war cabinet The ideas of nationalisation of essential things like gas, coal, electricity transport, banking and insurance can also be traced to the left wing character of the cabinet formed after the war

The question 'to what extent and under what conditions can it be transferred to evolving non Western societies is wrongly posed [2] But this is not to deny the existence of a wide gap between the Western and the non Western societies The fact re-

1 John Friedman : Introduction —The Study and Practice of Planning *International Social Science Journal* UNESCO 1959 p 337

2 The extent of the transfer of this technique depends upon the condition obtaining in any country whether Western or evolving non Western nations s

mains that the ideas of equality, social justice and scientific techniques as applied to forms of living to management to politics, to sociology and even to painting and music are all Western in origin As a result old subsistence economy was thrust back by the application of reason science and technology and a wealthy modern capitalist state emerged in Europe

The Western affluent society had to pay heavily before it reached the present stage According to earlier social scientists industrialisation had a bad effect on the social welfare as it led to unhealthy working conditions, overcrowding child labour and exploitation Social legislation and social policy had to be adopted to cure these ills of industrialisation But this again is another wrong notion These ills were not the consequence of industrial development as such Bad working and living conditions do exist even in the rural areas, only, they are dormant To this day child labour and sub normal conditions of daily existence can be witnessed in the rural areas of these underdeveloped countries While in the industrialised urban areas concentrations of labourers enable us to see their squalor and poverty and hence to adopt welfare measures, in the rural areas the wide dispersal of these conditions make them intractable

Break up of traditional family life and old loyalties social frictions and psychological crises in the Western society are not so much due to industrialisation as due to lack of coordination between social techniques and scientific progress These were the results of lack of proper economic and social planning With proper planning it can be demonstrated that a stable community can be built on the basis of industrialisation This process can be extended even to the rural communities and even agriculture can be run on the lines of industry The period of transition between the backward traditional society and the well advanced industrial society is the most dangerous period when proper understanding of the sociological and psychological factors has to play a part if the emerging countries wish to avoid the evils witnessed during this phase in the West

The fact is that industrialisation and introduction of scientific technology in themselves are not detrimental to social well being While in the advanced countries planning succeeded the haphazardness of development so as to set it right in the non Western countries planning becomes a condition precedent to proper deve

lopment itself Hence the need for planning becomes incontrovertible in these countries The time lag or the gap between the developed and underdeveloped countries has to be filled by accelerating the economic development The Soviet Five-Year Plans did this albeit, at an enormous sacrifice The contention in this essay is that the pattern of planning in the Western countries does not suit the conditions of these underdeveloped ones While the carrot may work in the advanced countries, in the less advanced ones there must be a carrot in front and a poke behind

It is appropriate here to examine the general background in these developing countries which necessitate greater governmental participation and a more comprehensive developmental plan with the fixation of targets in an allotted period

1 To say that appalling poverty and ignorance stand as the greatest obstacles to be overcome is stating the problem itself, the crux of the matter is how to eradicate them The importance of education at every level need not be overemphasized Hungry stomachs do not need books But one cannot agree with Galbraith that popular education should have priority over the dams, factories and other furniture of capital development He says, "In the last century nothing occupied a more prominent place among the requirements for economic and social advance than public education and popular enlightenment In the new States today, or the older ones without developed systems of popular education one also wonders if school books should not come before machine tools Popular education releases the energies not of the few but of the many And it opens the way to technical knowledge Literate people will see the need for getting machines It is not so clear that machines will see the need for getting literate people So under some circumstances at least popular education will have a priority over the dams, factories and other furniture of capital development"[1]

There is no question of putting education first and then giving other furniture of capital development a secondary position They have to be synchronised, as otherwise in the initial stages one would find a horde of educated unemployed people seething with discontent Once popular education releases this energy and it is not properly canalised and reinforced by ade

1 J K Galbraith *Economic Development in Perspective* U B I S India p 13

quate economic ramifications, results may be far from satisfactory The State of Kerala in India with 46 2 per cent of literacy, the highest in India, is an example of political and social instability

Once new knowledge is unleashed and new needs are created there must be proper arrangements for constructive use of this knowledge and adequate means for satisfying those needs Release of education must be synchronised with economic institutions to absorb this newly released pressure From the frying pan of ignorance let there be no jump into the fire of under employment Ignorance and poverty are inseparable twins demanding equal attention A more detailed discussion of this problem is not within the province of this essay There is no question of putting books before bread

2 The enormous growth of population during the past decade and the general tendency towards this trend in future causes great concern in the under developed areas If production does not keep in step with this rise in population, the per capita income is bound to fall Should there be investment on economic production or in reduction and control of birth rates? This is a controversial question again since greater production and growth of population are not inversely proportional Population growth may add to the national income in countries rich in resources to work upon supplemented by technological development African countries are in this category But in countries where technological development and resources are not in a position to keep pace with the growth of population it is better to adopt measures to check the latter and step up the former

In its turn again population control is linked with education and other factors like religious belief[1] Obviously this is a case

1 Cf J A Banks Social implications of Technological change Economic Development and its Social Implications Presses Universitaires de France Paris 1962 p 98 Experience in India would suggest that the mere introduction of contraceptives even though accompanied by considerable propaganda efforts by the Government will not result in its adaptation or effective use by people who have certain moral or religious scruples about contraceptive practices (Chandra Sekhar 1955) Much depends upon the level of education and the extent to which people are prepared to sacrifice immediate pleasure for future gain

Whether sterilisation of those suffering from incurable disease supported by legalisation of abortion (as in Japan) could be undertaken or not once again depends upon the value system of a society

where the Government can take the horse to the water but it cannot make it drink

3 Low labour efficiency stemming from malnutrition, ill health, lack of training and lack of response to incentives etc, forms a serious drawback[1] As Mydral says,

'The situation of the human beings in an under developed country, from the point of view of its development goals, can be characterised in terms of low levels of performance and living in a number of respects low levels of work discipline, puncuality and orderliness, apathy, conservatism lack of alertness, adaptability, ambition and enterprise, submissiveness to exploitation, inaptitude for co operation low labour efficiency low wage and earnings, malnutrition low housing standards, low levels of personal hygiene, low health levels high birth rates low levels of literacy and education, etc'[2]

To this formidable string of deficiencies more may be added if each country is examined individually The author had the opportunity to study to some extent the efficiency among the Western workers as contrasted to their counter parts in the under-developed world Physical factors like good food, better living conditions security for future life and last but not least, better salary and amenities in workspots, conduce to the general superiority of the output in the West Added to these the introduction of automation relieves the workers of a great deal of drudgery A systematic procedure and the strict adherence to the principle one at a time' also are contributory The workers in the under-developed countries by contrast work or rather exert themselves more than those in the West More unnecessary physical movements, attending to diverse types of work and clientele at the same time, bad climatic conditions etc add upto the existing other well known factors retarding efficiency Scientific Management Movement hardly made any impact in these countries If the amounts

1 Compare the amount of intake of protein among the rich countries with the poor ones —Australia 90 gms Canada 98 U S 92 U K 86 as against India 50 Pakistan 50 Brazil 57, *F A O Year Book* 1956 Table-89

2 Gunnar Myrdal Theoretical Assumptions of Social Planning *Transactions of the Fourth World Congress of International Sociology*' Vol II 1959 p 164 Low Labour efficiency is due also to lack of mechanical aids and not so much due to innate inefficiency It may also be due to bad man management

of labour can be quantified, it can be said that the units of unaided input of labour by these workers is certainly greater than those of the workers in the West though at the output end there is a disproportionate loss The Indian the Chinese and the African labourers are proverbial for their patient and uncomplaining capacity for drudgery But side by side with this uncomplaining capacity to slog the existence of great deal of 'soldiering cannot be overlooked This had existed in the most advanced Western countries as well In fact Taylor s struggle was against this evil

4 The class of enterpreneur who invested capital and helped industrialisation in the West are lacking in the underdeveloped areas Petty businessmen, especially drawn from other countries do not constitute the enterprising investors in industrial ventures [1]

5 The Banking system does not play the big role it does in the advanced countries Deposit banks play an absolutely negligible role since people hoard money rather than save it in a bank This of course is dependent also upon the availability of the market in a country The people would rather have gold coins and jewellery than new equipment which they view with suspicion They indulge in speculative activities on land and invest in unproductive ventures like buildings theatres, houses etc

6 Agriculture though it forms the backbone of the economy of most of these countries is in an anti diluvian state The farmers are ossified in custom ridden methods of agriculture Refusal to adopt modern methods agricultural debt fragmented and subdivided holdings abject dependence upon nature burdensome land tenure are among the many factors that keep the peasant in eternal misery To these must be added the harassment of moneylenders frequent litigation over spending for rituals and lack of marketing and storage facilities leading to underselling of the produce to middleman [2]

7 To other psychological factors may be added the religious

[1] The Tatas in India who are considered to be the most progressive entrepreneurs in India are rated only as No 173 among the world s entrepreneurs See *FORTUNE* August 1963 P 143

[2] See chapter on Agriculture—the lynchpin of the social chariot

values[1] But economic growth can be accelerated in any religious or non religious value systems

8 There is an woeful lack of public spirit among the people including those who are educated Causes are of course historical and deep rooted Lack of civic consiousness or what the French call 'incivismis is generally great This exists even in the civil services The 'old school tie on the spirit of the British 'public school' is unknown Hence the *esprit de corps* among the civilians cannot be expected The general tendency seems to be to avoid responsibility play for safety curry favours for going up quickly and be indifferent and dilatory in duties

An examination of all these conditions in the developing countries will show how different the whole strategy and tactics of planning should be in these countries from those adopted in the western countries It has to follow the pattern of Soviet Planning in so far as State direction of the plan and setting up of targets are concerned There need be no purges and mass liquidations Even in the Soviet Union these excesses were a result of the intolerance of revolutionary zeal It is due to the stupendous nature of the task that no private agency can be depended upon for bringing about changes on such a comprehensive scale It is the state that has to do it and implement the tasks that are set forth[2] Not all aspects of planning need be 'binding and entail punishment for non fulfilment Even in Eastern European countries all plans are not binding

"The inseparability of the target setting and the executive functions of plans in Eastern European countries does not mean that all plans are equally 'binding, indeed, some are not binding at all There is a hierarchy of plans not only according to the

1 Max Waber's contention that the preaching by Protestant Church of the notion that labour and work are duties may be one of the reasons for the progress of the West See also T S Simey *Welfare and Planning in West Indies* London 1946 pp 133 34

2 Cf Edward Shils Intellectuals Public Opinion and Economic Development" from *World Politics* January 1958 Vol X No 2 He says In most of the new countries prevailing opinion does not believe that industrial development will come about through the process that produced it in the West Planning governmental initiative and even management the deliberate application of specific outlook and procedure to industrial problems—these are the means which are expected to raise the level of industrial output and efficiency"

level at which they were prepared but also among plans prepared at the same level. Some plans, the 'informative indicators' are not binding at all; others—the 'directive indicators' are. The former are prepared only for guidance in fulfilling the latter.[1]

As planning is a national problem 'irrespective of whatever political system be in force in the country', the general argument that is put forth here is for setting up of a planning agency which could enjoy, the confidence of the general public, the permanence of tenure and the prestige that is commensurate with its importance. The plan in its major objectives and broad strategy should not suffer due to the changes in the political configurations, as the plan had to visualise a distant future while political changes are likely to occur with great frequency. Another argument that is presented in the subsequent pages is that no party should fight the elections claiming the plan to be their exclusive *forte*. There could be controversy over the targets, techniques and tactics adopted, but not on planning *per se*.

[1] *International Labour Review*, Geneva, Vol. LXXXVI, 2, August 1962, pp. 97-98.

AGRICULTURE—THE LINCH PIN OF SOCIAL CHARIOT*

Most of the highly developed countries have their base in industry while by definition the less advanced ones are based on agriculture Agriculture in the developing nations is the primary occupation of the peoples albeit the agricultural operations as they exist are far inferior to those in the developed ones The per capita production also is far from satisfactory The reasons are well known to need an elaboration In the haste to jump into modernity new states are very likely to give agriculture a 'Cinderella' treatment and bolster up industrial growth—thus relegating the needs of nearly 75% of the population to a secondary role [1]

The agricultural problems also appear more intractable and whatever measures the governments may adopt will not show any dramatic change One thing cannot be ignored, however unpleasant it might appear *viz*, that wealth in the underdeveloped nations has to be produced by the unceasing intermingling of earth with human sweat Industrial growth itself has to be conditioned

*That is how a classical Tamil Poet Thiruvalluvar described agriculture in his magnum opus Kural' written in 60 B C

1 See Zbigniew Brzezinski Politics of Underdevelopment in '*World Politics*' October 1956, Vol IX, No 1, 'Viewing the past with distaste, deeply conscious of their economic and social backwardness fully aware that both the USSR and the West are far ahead of them in power prestige and in the case of the latter standard of living the intellectuals tend to see one factor as paramount in causing this state of inequality, the technological revolution of industrialization They realize that in the age of technology both power and wealth depend on a solid industrial base and they note with bitterness that the colonial powers and their local conservative and largely landed allies (Sheiks, maharajahs, sultans etc) prevented—or atleast did not further—industrial development in the colonial areas But it is not only the industrialization of Western Europe and the United States that has created such a strong impression they note with particular envy the rapid industrialization of the USSR and its consequent (as it seems to them) rise to world prominence as further proof that industrialization must be achieved if their aspirations both national and social are to be fulfilled Industrialization has thus become a sort of panacea—a key to the future'

by agricultural improvements though after a stage agriculture in its turn will be dependent upon industrial growth for further improvement Though both become complementary to each other agriculture being the more basic, the more indigenous and the more natural for the people has to be primarily attended to

Agricultural development includes not only production of food grains but also other commercial crops like sugarcane, coca tobacco cotton jute which can be suitably grown in the country In addition to the achievement of self sufficiency in food, which is in itself the most desirable end other crops which would bring in the much needed foreign exchange cannot be neglected If the marginal gain from the foreign exchange obtained from production of commercial crops is more than the marginal gain from using the land for production of food grains, it is better to devote greater attention to the commercial crop to the extent that it brings in the foreign exchange necessary for the country This was realised in India after the experience gained during the First Plan period and subsequently greater emphasis was laid on the production of the food grains and other commercial crops in the Second and Third Five Year Plans [21] This factor of producing more of agricultural goods depends to a great extent upon creating proper incentives to the farmers Unless there is a meaningful growth in social spheres there is no likelihood of the peasant working for more production than is absolutely sufficient for him to keep the wolf out of his door This factor holds good in coun

21 Before the Second Plan took final shape it was realised that the programme of economic development with special emphasis on heavy industries which the Plan embodied would demand a larger increase in agricultural production than had been at first envisaged Accordingly in consultation with State Governments the initial targets were reviewed and in November 1956 the following revised targets were proposed foodgrains 80 5 million tons oilseeds 7 6 million tons sugarcane (gur) 7 8 million tons, cotton 6 5 million bales and jute 5 5 million bales The Second Plan target for the production of sugarcane has been exceeded on the other hand there has been stagnation in cotton and jute In oilseeds also production has fallen below the target In view of the production trends during the Second Plan it is of the highest importance that in the Third Plan besides achieving self sufficiency in foodgrains substantial increases should be secured in commercial crops specially cotton oilseeds and jute With the growth of the economy and increase in domestic demands as well as the need to step up exports success in increasing the production of commercial crops is as vital as increase in the production of foodgrains

tries of the far eastern region where there is not the proper balance between social and economic growths A Cambodian farmer may not be willing to work a little more to produce a surplus even though he has a very rich soil and good rainfall The same cannot be said of his counter part in India Though he is prepared to work more, he is impeded by various obstacles inherent in the economic structure of the country and the psychological and traditional values of peoples

The complexities of tribal structure of Africa the caste barriers in India intensify the difficulties for bringing about planned change into the pattern of land holding themselves Ribbon holdings fragmentation and inequitable ownership of land tracts, unwilling ness of the privileged few to move with times incapacity of the poor to optimise their resources lack of proper state help and education together conspire to keep the agricultural sector in many countries in an utterly backward condition In Latin America the land distribution is most inequitable Nearly one per cent of the people possess more than half of the total cultivable land, that means ninety nine per cent own less than half of the acreage

The inequitable distribution in Iran, for example, can be seen from the structure of land holdings there Over 60 per cent of the peasants own no land about 23 per cent ha[illegible] less than a hectare, 10 per cent from one to three hectares and [illegible] per cent over 20 hectares Much of the crop goes to the landlord a[illegible] rent Rural indebtedness, and harassment by the money lender and middleman force the peasants to lea[illegible]e the [illegible] and seek employment in cities Reforms of a [illegible] there-fore had to be contemplated by the Ma[illegible] rural misery and establish social justice The [illegible] about on January 9, 1962, enabled the gover[illegible] from the landlord and resell it to the peasa[illegible] by a special commission plus ten percent [illegible]

Even small countries like C[illegible] intractable [illegible] agricultural problem becomes [illegible] developed [illegible] majority of its 580,000 popula[illegible] dependent [illegible] agriculture The bad [illegible] can be easily [illegible]ed when it is seen that [illegible] of the gross [illegible] duct goes to agricul[illegible]. The [illegible] of a C[illegible] [illegible] lower than the [illegible]

£88 and £145 respectively Much of the land belongs to big land owners churches and mosques There are no proper marketing facilities for the agricultural goods and difficulties are experienced for selling the products

Hence sweeping land legislation had to be passed In 1961 a law was passed prohibiting compulsory sale of property both moveable and immoveable In 1962 a law adjusting the rural indebtedness and converting part of the debts to long term credits so as to give adequate relief to the peasants was passed These are similar to legislation in India like the Debt Relief Acts in various provinces

Zanzibar the Jewel of the Indian Ocean supplying cloves and spices inspite of its extremely small size is not without its agricultural problems With the liberation of the island and the establishment of a dictatorship decrees were passed nationalising all land by March 1964 with a view to ending the grip of the big land owners

The conditions in other developing nations are not far different from these cited above and the general need seems to be a dynamic and sweeping change in the rural set up Broad legislations have to be contemplated to give the much needed relief to the poverty striken peasants

Even in a highly developed country like France agricultural inequity and the resultant slack in production are pointed by the Report of the Commission of Agriculture About 60 percent of the holdings are less than 10 hectares each thus looking more or less like the ribbon holdings of India Fragmentation of land that is to say many tracts split into small pieces quite far off from each other are reminiscent again of the Indian conditions where this is due to the property partition of the joint Hindu family In France there is a great deal of regional imbalance as far as agriculture is concerned—North being the most productive and the South being least But while agricultural production has been affected by the fall in agricultural population it has been bolstered up by better methods and mechanisation

More planning and less Leaping *

The models of China[1] and India in regard to agricultural re

*Chou en Lai

1 See Chao Kuo-chun *Agrarian Policy of the Chinese Communist Party* Asia Publishing House New Delhi 1960

form may be taken as two distinct ends of a continuum Both the countries are eager to afford maximum relief to the peasant and produce wealth out of earth The importance of breaking up the traditional land tenure system is also agreed upon by both Broadly the philosophy acceptable to both is that land should belong to the tiller, though to India that is an end in itself while to China that marks only a stage leading to complete state ownership of all means of production

In the methods adopted to bring about the proposed changes in agricultural sector there are sharp divergences Between 1958 and 60 China seems to have atleast temporarily stunned visitors of all description, pro, anti and neutral, by her tremen dous 'leap in agricultural production More than 100 million peasants huddled themselves into nearly 24,0000 communes But very soon all these dazzling successes proved abortive and China was again on the verge of food crisis The unfavourable ratio of her huge population to her limited resources is a menacing problem for any type of political dispensation to tackle Nearly four fifths of the population work on just 10% of the land

Landlordism and usurious money lending were liquidated by the trials and the land was distributed among the peasantry But soon it was found necessary to take back the land for better political control and thereafter step by step ways were devised from producer cooperatives to collective farms and then into [illegible] But all these drastic measures, inspite of their initial dramatic effort stressed the need to go about more graduall and cautiously at least in the agricultural sector But compared [illegible] similar stage in the Soviet Union, when collecti[illegible] took place, the transformation in China should be considered [illegible] smooth Mechanisation to the same measure as in Soviet [illegible] where collectives were established was not [illegible] China [illegible] there the tremendous man power was diverted to the [illegible]

All talk about the 'great leap had to be [illegible] down in [illegible] of agriculture which apart from [illegible] depends to a [illegible] extent upon natural conditions and [illegible] of the [illegible] After the enthusiasm of the [illegible] died down grim realities [illegible] templated to be brought about [illegible] to be planned in a big wa[illegible] in its turn had its ad[illegible]

Hence the great leap had to be slowed down and the red Dragon had to retreat.

The agricultural policy followed by the Indian planners is obviously different from that of China. The official policy declarations are to be found in the drafts of the Five Year Plans themselves. The whole attitude towards agriculture in India even during her struggle for independence was different from that displayed by China. The National Congress had as its symbol the bulls and the spinning wheel signifying the stress on agriculture and cottage industry. The Philosophy of Gandhi was mainly an appeal to the peasantry.

Though industrialisation, rather rapid industrialisation was one of the cherished goal of the newly liberated India in consonance with the general tendency among all the newly liberated countries, yet the fact that agriculture should form the basis was not totally forgotten.

Zbigniew Brzezinski in an article says that the newly awakened nations attributing the wealth and power of the West to rapid industrialisation themselves become anxious to industrialise to fulfil their social and national aspirations. Industrialisation has thus become a sort of a panacea—a key to the future.[1]

This statement while showing the author's deep insight into the workings of the minds of the people in developing countries in general is not completely true at least in the context of Indian development. To become aware of the need for industrialisation is different from thinking that industrialisation is the panacea to all ills.

Agricultural reform becomes necessary in all these countries since it is in this field that social injustice and exploitation had taken deep root. Industrialisation apart from other things seems as a relief measure against rural unemployment. Nearly 40% of the agricultural land in India was under the intermediaries like the Zamindars and Jagirdars and reforms had to be urgently brought about abolishing this uneconomic and unsocial state of affairs in the country side. The tenants had to be assured of their rights of ownership over their lands by terminating landlord tenant relationships and such other feudal vestiges. A ceiling on the agricultural holdings was also contemplated to avoid

1 Z Brzezinski loc cit

excessive concentration of agricultural wealth At the same time in the larger interests of the national economy ceilings could not be enforced on farms producing commercial crops like tea, coffee, rubber and sugar cane and on those engaged in cattle breeding, wool raising etc All these land reforms had to be brought about in the due process of law and enforced without compulsion Hence unlike China there was no great leap fol lowed by a greater retreat in India The pace has been that of a tortoise as far as agricultural development is concerned with the result that still a reasonable amount of self sufficiency in food has not been achieved [1] The agricultural output in India is noted to have risen at an average annual rate of 3 5 percent over the last 12 years

The basis of Agricultural Policy in India

With 70% of the population directly depending upon agricul ture, and contributing 48 5% of the national income the role agriculturist should play in a democracy with adult suffrage need hardly be overemphasised The government has direct responsibility for achieving greater agricultural development because the very stability of any democratic government would greatly depend upon its capacity to feed the people properly If the government fails to equip the agriculturist with the various modern components like better seed fertilisers and pesticides better implements and other material like cement and steel veterinary service, timely credit, marketing and storing facilities, drainage and irrigational facilities, powers and extension services it is not possible to step up agricultural production Thus though for all intents and purposes agriculture appears to be indepen dent of government, it would in fact not be in a position to sus- tain itself if the government does not act in a big way The res- ponse in the form of higher yield has not been very favourable or even proportionate to the investment Conflicting reasons are adduced to explain this contradiction As long back as 1893 Dr J A Voelcker had said "The smallness of the area also limits the obtaining or the laying out of capital, as well as the benefits

1 See *Third Five Year Plan* Chap XIV pp 220 235

2 See Ashok Mitra Tax Burdens for Indian Agriculture in Ed Ralph Braibanti *et al* *Administration and Economic Development in India* Cambridge University Press, London 1963 p 283

of superior implements and the employment of better cattle It has been rightly said that 'what is wanted is not increase in the number of five acre farms but more capital put into the existing ones'[1] These remarks were made when social Justice, elimination of all elements of exploitation', provision of security for the tiller of the soil and assurance of equality of status and opportunity to all sections of rural population' where not actively contemplated by the State

Much later even after the commitment of the State to the achievement of socialistic objectives almost similar sentiments are expressed by a large section of the people who examine the problem from the overall point of view of eliminating the acute food crisis that the country is facing today even though in averting the crisis the egalitarian principles are sacrificed

In our view it is wholly wrong therefore to proceed on the assumption that the dissemination of land ownership is necessary or helpful to increase farm production On the contrary, in view of the great importance of private capital and management to modernising and developing farm practices on scientific lines, it is not only desirable but essential that state policy for agriculture should encourage and facilitate the emergence of holdings large enough to enlist the interest or engage the resources and enterprise of men of means with farming aptitudes There are at present various state laws or local practices which make it difficult for the better farmers to extend their holdings or for the inefficient ones to take themselves out of farming'[2]

An entirely different view is held by others of socialistic thinking that proper distribution of land to the small peasants can increase production and that the present pace of implementation of these reforms has been slow and such of the legislations as existed all along have been only for the purposes of 'utilisation of waste lands adoption of improved seeds control of pests and diseases etc Much of this legislation is fairly old and needs to be reviewed in relation to the present development programmes of agriculture

1 *Report on Improvement of Indian Agriculture* 1893 p 290
2 *Third Five Year Plan* p 220
3 See Agriculture Strategy and Tactics *Eastern Economist* Annual Number 1966 p 1324
See also Annexure 1 to Chapter on Land Reforms *The Third Five Year Plan* pp 236-38 for the ceilings on land holdings in different states

and if it is sought to be so managed, the results are more devastating

Development of agriculture will involve capital investments on schemes of irrigation fertilisation afforestation and mechanisation wherever possible and desirable Any scheme of agriculture takes a longer gestation period than a similar scheme of industry and hence the temptation is to use the marginal dose of capital on industrial plant rather than on an agricultural farm The capital investment in the above farms has also to be properly exploited as otherwise it would be a waste

To utilise the irrigation potential properly there must be proper education among the agriculturists The increase in utilisation rate of irrigation potential from 50 percent in 1955 56 to 71 per cent at the end of the Second Plan and around 80 percent in the current year (1963 64) indicates that there is a productive employment of the capital in India [1]

The irrigation potential of major and medium schemes is expected to rise by 6 8 million acres during the last two years of the Third Plan as compared to an increase of 3 5 million acres during 1962 63 and 1963 64 and utilisation is expected to improve in 1964 65 [1]

Substantial increase in agricultural output due to supplies of fertilisers is also expected and with the supply of pesticides and better seed a qualitative change in agricultural produce is anticipated More attention to agriculture and to the needs of the rural population in general also deserves consideration With rapid industrialisation and lack of facilities in the villages to absorb the people, fall in the demands for handicrafts and due to rural indebtedness people tend to migrate to the cities in large number seeking employment and bread Not finding adequate shelter and other sanitary conveniences they create greater social problems in the cities Most of them live on hope and hence are averse to getting back to their villages Many villages become deserted as a result This is a bad sign for economic well being

Unless the villages are made quite attractive and lucrative for people to live in the mass migration to cities cannot be

1 See *Economic Survey* for 1963 64 presented to the Parliament by the Finance Minister

prevented [1] Lands that are likely to be brought under the plough as a result of hydro electric projects have to be taken under state control and run like an industrial enterprise so that they may not be made available for the rich peasantry These areas can be electrified and the country side may be made attractive for inhabitation Mechanisation and modern methods of agriculture could be tried without causing any friction It must not be forgotten that only an assured supply of goods and raw materials will ensure a high rate of growth of industry

Very rightly the Indian Fourth Plan projections emphasised the development of the rural sector by concentrating on rural electrification and rural transport facilities which in their turn would stimulate village industries Village is the Waterloo of Indian Planning If this battle is successfully waged which is actually long overdue it might put a stop to the mass exodus that is taking place from villages to the already overburdened cities The cities lack all facilities for living-water supply transport and hygienical conveniences for the swelling number that are attracted to them every day Rural unemployment and concentration of a large number of industries courts offices and universities are all the causes for the congestion reaching a bursting point in large cities Wide dispersal of industies in regions away from metropolitan areas location of high courts in less important cities and strict licensing to build new industries in already crowded areas are all measures that have not received the attention they deserve * Instead of dispersal, the governmental policy is directed towards concentration of industries and offices in cities

[1] Even in a very advanced country like France this problem of peasant exodus to the cities has become very acute The reasons are also similar to what is said here About 80 000 leave annually and all of them are young and thus leaving only older people in the fields

* According to the census of 1961 migrations from villages to small towns and from small towns to bigger cities totals upto 17 million By 1981 if this exodus is not checked the population in the metropolitan areas may be doubled The strain can be imagined

4

'THE BIG GOVERNMENT *

There is a great deal of sophisticated literature on the need for governmental expansion in the modern days that the title needs hardly to be elaborated upon This is an era of administrative state whose pillars are the highly technical personnel constituting the civil services The role of the politicians has to be tempered by the advice given by these services and as days advance the dependence is likely to become more helpless than otherwise This is not to minimise the part played by the politicians in the progress of a nation but only to highlight the fact of how administration will become synonymous with politics Decision making cannot be simple and direct but will have to be so subjected to various factors that by the time it is crystallised there will be the least trace of any personal imprint of any one on it

As long as passions can be roused and people made to join under a banner, and by agitational methods change the existing societies politics will have a great role to play But after conflict if consensus were to prevail once again after the din and bustle settles down the administration oriented state will assert itself A Hitler or a Stalin for the duration of a violent change and revolution, even as a Charismatic leader in the emerging nations till independence is won and stability is established may dominate the national scene and be primarily responsible for major decision making Again bureaucracy seems to find devious methods by which it would assert itself If old bureaucracy is crushed on its grave seems to arise a new one more invincible It is interesting to see Stalin s lament over bureaucracy triumphant'

Says he,

> "The danger is represented not only and not so much by the old bureaucrats derelict in our institutions as particularly by the new bureaucrats the Soviet bureaucrats,

*Borrowed from Paul H Appleby's book by the same title

amongst whom 'Communist bureaucrats play far from an insignificant role [1]

As long as routine and humdrum cannot be avoided in human life and as long as humans concede that predictability is preferable to capricious behaviour it is next to the impossible to get rid of the bureaucratic tyranny But tempering it is not beyond the realms of possibility and certainly is within the province of desirability

Max Weber and Laski have expounded two divergent views on the role that the bureaucracy plays in the process of effecting a social change [2] Is bureaucracy against any social change whatsoever being afraid of its own position and hence most likely to maintain *status quo* or even get out of its shell of neutrality and oppose change? Or will the change in the class character of the civil services conduce to change in their attitude? Or will they be dead neutral to whatever happens as the good old British political philosophy enjoins them to do—even to the extent of self effacement and liquidation of the interest of the class it represents?

Whatever the answer to these questions they seem to be fast losing relevance in the context of unprecedented extension of the frontiers of scientific and technological knowledge The law making functions of the legislatively controlled democracies are giving way to policy making executively oriented governments The legislatures have become more or less ratifying bodies of what the executives do in the active states Strategies have to be devised for the future changes and there is no time for slow moving legal procedures as exemplified by the legislature controlled democracies Legislatures with their pedestrian knowledge cannot be expected to participate in the highly technical discussions regarding how to formulate fiscal policies to increase capital investment or what foreign policy is likely to maximise the national economic interests in the complex international scene Management of modern states has become as complex as that of any huge commercial corporation It is therefore necessary to recognise

1 J Stalin, *Leninism* Vol 2 Foreign Language Publishing House Moscow

2 See Max Weber *Bureaucracy* H J Laski *Bureaucracy Encyclopaed a of Social Sciences* Vol 3 1930 and Fritz Morstain Marx *Administrative State'* University of Chicago Press 1957 See also Joseph A Schumpeter *Capitalism Socialism and Democracy* Chapter on Capitalism Harper and Brothers N Y

called upon to discharge in this complex structure of modern governmental activities. Catch them young by all means, but train them to man the special jobs with a proper understanding of the needs of those jobs and not with an wooden headedness that characterises the general civil servant.

As a result of industrialisation and urbanisation on the basis of free enterprise and individual liberty, there have set in, inequalities, insecurity, instability and injustice. This political unrest in the huge over populated cities and desertion of the rural areas have necessitated urgent measures on the part of the government—be they of a regulatory nature or of total taking over of key sectors. While there is an openly declared socialism in some states, the back numbers in America began to see creeping socialism in these measures. In the Western countries private enterprises have been supplanted to some extent by the State. There has arisen therefore a need to man the public enterprises on the same efficient lines as the private enterprises were manned and this needs a special education for the civil services. In the developing countries the inroads by the state into enterpreneurial activities are not just partial. They are either total or very nearly so. Management of such public enterprises requires a special orientation and training different from (though not necessarily opposed to) the general university training received by the recruits for service.

The second argument for a change in the general pattern of civil service is in the psychological outlook which is more difficult to bring about. There is a concealed (some times a maladroit) disdain for the common people and the politicians who spring from this lot. A scepticism to any developmental activity makes the civil servants look upon change with an aloof indifference.[1]

1 Mr Nehru reference to this attitude among the Indian Civil Services as early as 1936 in his Autobiography and Mr V T Krishnamachari's advice to the civil services in his capacity as the Deputy Chairman of the Indian Planning Commission are relevant to this point. Mr Nehru says: Th I C S were intellectually and emotionally not prepared for what happened. The original training of many of their members was classical which gave them a certain culture and a certain charm. It was an old world attitude suitable for the Victorian Age but utterly out of place under modern condition of the forces at work in the contemporary society. Inspite of their amusing assumption of being the trustees and guardians of the Indian masses they know little about them and even less about the new aggressive bourgeoisie. Their

The difficulties due to lack of properly experienced and trained civil servants were felt acutely in many of the African nations where, subsequent to the withdrawal of the colonial powers and the ushering in of the 'Africanisation scheme in civil service, the complicated nature of administration could not be tackled properly by the newly promoted young men into higher echelons of services to which they had no claim through competence But they have an advantage that they can start with a clean slate They have not got into the ruts and stratified themselves rigidly in the outworn institutons

Prof Donald C Stone in one of his papers presented at the Institute of Social Studies, the Hague has pointed out that

> Absence of a dynamic civil service which attracts and puts into posts the very best talent of the country for each category of posts as one of the many common problems facing a country s plan formulations [1]

knowledge of post war changes all over the world and especially in the economic sphere was of the slightest and they were too much in the ruts to adjust th mselves to changing conditions They were approaching as a group more and more the type which T S Elliot describes in The Hallow Man

Pandit Nehru *An Autobiography* Bodley Head London Reprint 1953 P 443

Though there are many value judgments in this statement the need for a change in the outlook cannot be rejected at least in the colonial countries

Mr V T Krishnamachari former Deputy Chairman of the Planning Commission voices the sentiments in a different language

The civil service in India have to adjust themselves there to the two revolutionary changes (Responsible government and Welfare state—Author) These adjustments cannot be mere institutional, i e of the formal set up or machinery of government There should be changes in objectives and mental attitudes The whole approach has to be changed

V T Krishnamachari *Planning in India* Orient Longmans Calcutta 1961 p 252

This is of course exhortatory though necessarily it had to be so

1 Prof Donald C Stone s Paper for M P A Course on Administrative obstacles to Economic and Social Development Institute of Social Studies The Huge 1963

With the entry of governments into various economic fields different institutions are being devised with varying measures of parliamentary accountability. At the beginning of this chapter it was argued that the modern democracies are being more policy oriented and hence have reduced the legislatures to mere ratifying bodies of the executive actions. But the principle of democatic accountability will have to be maintained. Though the majority of the politically elected legislators may have the adequate knowledge to understand the working of the commercial undertakings managed by the state, the approval of the legislatures for the amounts spent on them and for the management and organisation of these institutions cannot be by passed. That would amount to an abridgement of democracy.

Between the Scylla of obstructive and delaying procedures involved in the legislative process and Charybdis of converting the public enterprises into irresponsible though efficient, bodies the state has to steer clear. For the government to refuse to take up economic management would mean giving room for monopolies or oligopolies resulting in depression, unemployment etc.[1] Government corporations, departmental enterprises and joint stock companies under general incorporation statutes etc. have sprung up to cope up with the economic activity. Much sophisticated literature abounds on these and it is not the purpose of this dissertation to go into the details of working of these organisations.[2]

What is sought to be stressed in this context is that in the light of such developments the civil services have to be equipped with the special knowledge to coordinate the state administration with these tremendously expanding activities.

Broadly there are 8 distinguishable though overlapping activities that are classified as public and hence the services have to be adequately equipped to carry out:

1. The regular government functions involving the routine day to day work of administration that every agency has to carry

1. Cf. Roosevelt on T. V. A. in 1933. A Corporation clothed with the power of government but possessed of the flexibility and initiative of private enterprise and Morrison. Progressive business management with a proper degree of public accountability.

2. Legislative accountability can be secured by constituting a Committee on Public Enterprises as in India.

out and coordinate without reference to other additional work This has to come within the framework of th laws of the land

2 Governmental services—the general services that are expected of them by the publics - The usage of the plural number is deliberate These have to be publicly undertaken They are public health, public education construction of roads, railways bridges, maintenance of safety enforcement of contracts distribution of economic data granting of public loans to industry and agriculture etc

3 Social welfare functions entailing, schemes for employment compensation, pension and amenities for workers conciliation of disputes, family planning adult education and others of such nature

4 Maintaining standards of the enterprises and controlling and coordinating the various sectors—public and private agricultural and industrial etc

5 Management of finances according to the internal fiscal policies, and the assistance coming from international organisations and other countries Management of foreign exchange so as to derive the greatest advantage to the country

6 Control of the working of the various technical schemes in the country and to see that there is no waste of money men or material and keep an account of these activities for submission to public audit

7 Help the political head to formulate his policies in the light of the experiences gained in the management of all these functions and finally,

8 To keep in mind that the progress of the country has to be on a planned basis to achieve the goals as prescribed by the political process

Thus the administrative services on whose capacity a great deal of the development of a country has come to depend, have to be properly plan oriented

Could these people who form the core of bureaucracy, ossified and stratified be ever instrumental in bringing about social change? Especially if the changes that are going to be ushered in are of such a nature as would effect a complete revolution in the existing social relationships ? They are enjoined by their code of conduct to observe strict neutrality in all political matters and obey the

direction of the political leadership in implementing faithfully and to the best of their capacity all the policies formulated by them. Such a conduct of absolute neutrality would be assured in the content of changes in social set up which are not changes in the whole content but slight adjustments in degree. If the class content of the society were to be subverted would they remain the same political eunuchs? As Schumpeter says "It is not enough that the bureaucracy should be efficient in current administration and competent to give advice. It must also be strong enough to guide and if need be to instruct the politicians who head the ministries. In order to be able to do this it must be in a position to evolve principles of its own and sufficiently independent *to assert* them."[1] (emphasis added)

Harold Laski writing in the Encyclopaedia of Social Science did not believe that the civil service would remain neutral in such a situation.[2] But after the experience of Labour Ministry with the British Civil Service he too changed his opinion and felt that the civil services would maintain their advisory role and also their absolute neutrality and reliability in the faithful implementation of policies. But one factor that his reappraisal of the political neutrality of the civil services seems to ignore is that the Labour Government's socialism and the policies of welfare state accepted even by the capitalist classes were not as radically different as to warrant a visible reaction among the bureaucracy.

The spread of corruption in the new states has assumed gargantuan proportions with the increase of developmental activity. With the increase in developmental schemes spending reaches astronomical figures hitherto not witnessed. There is likely therefore to be a temporary boom and much of hectic activity especially when the state abandons the balanced budget and takes to deficit financing. Huge building activities naturally give room for the rise of contractors and middle men whose work has to be certified and supervised by engineers or managers or such other top executives not to speak of the political ministers whose favours give them initial entry into these enterprises. As de

1 *Capitalism Socialism and Democracy* p 293

2 Harold J Laski Bureaucracy *Encyclopaedia of Social Sciences* Vol 1930 and in also in the 1950 edition Pp 70—73

3 See also Clement Attlee Civil Servants Ministers Parliament and the Public Pol Quarterly XXV (1954)

mands for building material like cement or steel increase, the government again has to step in to regulate their flow, thus bringing in controls and licences In this maze, there lurk many a dark corner for corruption and malpractices Lord Clive who consolidated the British Empire in India at the end of a lucrative career in the fabulous country when charged with corruption ruefully confessed to his astonishing sense of moderation in receiving gifts ! Corruption grows by what it feeds on and the eradication of this is formidably Herculian The British Indian Civil Service which was called the 'steel frame has not been able to maintain that temper Any institutional device to detect and root out corruption paradoxically becomes itself corrupt thwarting thereby all honest attempts At least during the transitional stage in development unless strict dictatorial methods are adopted, this danger seems inevitable in the new states

By far the most baffling limiting factor in addition to rampant corruption among public officials is the practice of adulteration and dishonest accounting among businessmen The President Dr Radhakrishnan broadcasting to the nation on the Seventeenth anniversary of the Indian Independence Day was constrained to touch on this subject with deep feeling He said

'A recent report shows that food adulteration is being practised on a large scale Of all anti social practices, there is none more heinous than adulteration of foodstuffs The practitioners of this evil the hoarders, the profiteers the blackmarketeers and the speculators are among the worst enemies of our society They will have to be dealt with sternly, however well placed important and ifluential they may be If we acquiesce in wrong doing people will lose faith in us

' The increase of corruption against which we are putting up a heroic fight is due to a considerable extent to our misplaced kindness and indifference to wrong doing Maudlin sentimentality is not to be confused with generosity or compassion If we are soft to the anti social wrongdoers we will be doing a great wrong to society itself ' —-Broadcasted by the All India Radio August 14 1964

Planning has involved the country in huge monetary circulation great economic activity and middleman s prominence all of which have given rise to many leakages in the flow of money material and services The administrative procedures followed

in India in the context of developmental activity are completely out of tune with the times, as they have remained in the same delaying suspicion oriented procedures of the old British colonial administration Lack of proper delegation both on paper, as well as in action causes great delays Strict adherence to formal procedures filling up of innumerable number of forms even for small things, lack of proper facilitation of informal relations between officials rigid hierarchical behaviours are some of the many defects that make the Indian administration annoyingly exasperating The O and M has not been up and about in the country The ingenious procedural methods have all one accent to prevent fraud and over payment' if money is involved If the loss to the nation incurred as a result of avoidable delays could be quantified it would be perceived that this is greater than what the administration seeks to save by following these age old procedures Initiative and boldness are not encouraged in administration and hence none would take up responsibilities Thus the delay, which has been caused as a result of procedures invented to prevent fraud, has on the contrary proved to be the fertile ground for fraudulent transactions As a U N Study pointed out half a dozen clerks study and make notes on simple cases confusing simple issues unnecessarily [1]

Indian Administration has become like Mao Tse Tung's Imperialists, a paper tiger Everything has to be on paper Neither telephone nor even personal and verbal instructions would move matters even of minor import

It has to be emphasised here that the administration of today is not one of preserving law and order and collecting taxes It is that and something more It is to develop, change and create a new atmosphere In this context even if experimentations mean initial failure and frustrations they have to be embarked upon if the administration has to keep pace with the dynamic changes contemplated

1 See General Survey of Public Administration in ECAFE Region U N Econ and Soc Council E CN 11 P A M A F L 1 dated 23 Sep 1965

5

PRODEDURE ACCORDING TO PLAN

Broadly speaking four definite stages could be perceived in the planning process But certain assumptions are made which condition the whole conceptual basis Human ingenuity cannot transcend certain limitations which are inherent in every situation Man's knowledge itself is imperfect and his resources are not unlimited Hence arises the cruel problem of priorities which is but a wise usage of the limited resources It is cruel because one has to deny oneself certain things in order to have something else instead of having all These assumptions are obvious and incontrovertible in the imperfect world of ours

The stages are(1)creation of the proper atmosphere and climate of opinion (2) formulation of the plan (3)implementation (4)revision Revision has to lead to a feed back These again can be broken up into various segments

The plan in itself can be drawn by one person or a body of experts, on the basis of a general consensus of opinion or arbitrarily Arbitrary formulation either by one or a group is rejected on the basis that no person or a small group of technicians can possess the wisdom that would entitle him or them to impose their values on the people for whose benefit the plan has to be launched and whose participation in its implementation has to be enthusiastic This has relevance to the former statement that creation of the proper atmosphere and climate of opinion constitutes the first stage On that ground it is not averred that a dictatorial plan is less efficacious

In other words the awareness of the need for action to alter the existing conditions and better them, has to be created in the minds of the people who are affected This may be done by a single person or a body of elite It is not the individul need that the planners are concerned with As the need for action is to be felt by the people as a whole for the common and collective interests of the community, political forces have to be reckoned with, as ultimately it is the politics of the country that becomes the final arbiter of the country s destiny

To create a conducive atmosphere in a politically awakened country is easier than doing it in a country where the stage of national consciousness itself has not been reached The struggle for national liberation has in some countries like India aroused in the people the need for developmental plan The national leadership has to show the people concretely what independence would mean to them, apart from the sentimental appeals to patriotism, and what better conditions of living would accompany the abolition of foreign rule The successful experimentation of target plans under democratic conditions in India are no less due to this factor than to other favourable conditions For in the political atmosphere of India the idea of planning was not novel nor even very controversial In 1938 Nehru formed the National Planning Committee composed of partymen, economists industrialists and labour leaders Apart from this there were other plans like the Bombay Plan and the People s Plan

The case in India also illustrates the point that industrial sector cannot expand as well as it might under conditions of colonial rule By definition, again, a colonial rule is not one that has the strength of consensus behind it However much the colonial governments might try to modernise the countries they cannot infuse the faith in the future among the indigenous entrepreneurs and bring about an overall industrialisation As a result of this some countries lagged by one full century of industrialisation inspite of the fact that indigenous entrepreneurship did not lack either quality or quantity

' it may be well to repeat that colonialism is not conducive to forward movement in the dependent stage [1]

A National Government dedicated to the country s future is an essential factor for development as the case in India proved Planning by a colonial government is not possible but the value systems of the foreign rulers who will govern the planning operations and those of the people will vary That will be another 'white man s burden and will bear no relationship to the aspiration of the clients Though the British Government in the Pre independence era in India thought of planning not much was done or could be done to really improve the conditions Colonialism and national progess can ill go together The idea of colonial plan

1 Wilfred Malenbaum *Prospects for Indian Development* George Allen and Unwin Ltd London 196[illegible] p 162

ning has to be rejected if it is conceded that planning ought to have a greater goal to reach and is not in itself the end The best colonial government cannot even be the least responsible government "

Given the central role played by attitudes and activities of the government, industrial prospects in India improved greatly after independence under an Indian government devoted to economic improvement But a century without overall progress with growing rural and agricultural imbalance in the population, makes the shift to new ways of life difficult [1]

Apart from creating the proper atmosphere in favour of planning it is absolutely necessary to prepare the people psychologically for certain initial hardships and disappointments that entail the planning venture and this shift to new ways of life The output ratio may not be as favourable in comparison to what it is in a developed country People may feel that lot of money is going down the drain The gestation period may be long This may lead to 'frustration of rising expectations hopes and aspirations In the initial enthusiasm for something new all sorts of fancies which a fertile imagination can conceive of may blind the peoples vision to the more prosaic and down to the earth realities This is of special reference to countries which emerged free in the wake of the Second World War under dynamic agitational and charismatic leadership which ill suits the cool patient labourious qualities needed for lanning

Theory of Date Collecation

When all these factors are granted the exploratory process of fact finding may start What are the various facts that are necessary for formulation of the plan ? Answering this question in detail itself involves the whole process of data collection Broadly speaking we have to know what we desire and what are our natural and human resources and how far we can bring what is feasible within our means nearer to what is desirable Therefore collection of relevent data becomes all the more important and at the same time extremely difficult The nonavailability of relevent basic information let alone highly technical information like market analysis or categorisation of census figures etc makes the

1 op cit p 143

task formidable Statistical coverage in most of these emerging countries is uneven, if it exists at all

Under the existing circumstances data collecton may be analysed into two parts

1 Data regarding what changes are desirable and
2 Date regarding the resources available and the natural limitations

If theoretically speaking there are no data available three possible alternatives exist

1 There need be no planning as contemplated above but let natural harmony assert itself Only conventional balanced budgets may be prepared
2 With wisdom and experience, certain targets may be fixed and a working plan may be drawn
3 We may use substitute data and proceed on that basis

In the first case the importance of exact data and the seriousness of delay have to be judged When a mighty venture like planning is to be launched on a countrywide scale, data cannot be neglected and one cannot proceed on mere hypothetical assumptions There has to be an 'analysis of the existing situation Thus one is caught between the horns of a dilemma A wise mixture of facts and estimates is inevitable

' Situation analysis involves a systematic effort to present facts regarding the existing situation where they may be known and estimates regarding that situation when facts are impossible to obtain '[1]

In the new states there is a great deal of difficulty to arrive at facts regarding the existing situation due to reasons given in previous chapters Hence estimates have to be made with as much of approximation to facts as scientifically possible

Can it be delayed in the alternative till one gets as many facts and as much data as possible? Delay is fraught with greater dangers than action based even upon wrong estimates One cannot wait till all the facts are gathered and marshalled Only in places where there are no rudiments of government can we expect complete lack of data There are bound to be data which may be inadequate and sometimes not

1 Litchfield Notes on a General Theory of Administration *Administrative Science Quarterly* Vol 1, June 1956 p 14

precise In these cases a substitute data by sample surveys may be used for the sake of expediency of time and effort[1]

If such data collection has to be made on a variety of questions it is better that the statisticians participate in it The data has to be rearranged and classified into various categories or 'coded' before a systematic analysis is made This method requires the services of well trained staff skilful in eliciting the information needed and analysing it and properly interpreting the results Hence the participation of statistician in the initial stages itself would eliminate mistakes in data collection

The approach to collect data may be departmental that is to say, the administrative departments of the Government draw up estimates on the basis of governmental records Data may be collected from the people in the community if it is feasible and thirdly they may be collected from the opinions expressed by bodies of experts like, economicists, sociologists financiers, industrialists engineers, other technical departments like national geological survey, statistical survey etc and university men Interrogation or observation or both may be employed for sample survey

If for example, a project like a hydroelectric station has to be built a body of technical men or a research group has to survey the physical conditions the supply of water, the suitability of the site, the labour available, the facilities for transport of men and material, the effect of such a project on the people around, the financial implications and finally what use the energy unleashed may be put to, by employing the services of all these men

In all the developing countries during the period of experimentation, certain amount of trial and error have to be accepted as inevitable But to postpone the plan till all the details of data are gathered would damp the enthusiasm of the people Plan delayed is progress denied Will to develop should not be stifled

On total ignorance of data we cannot launch on planning It is planless planning—a contradiction in terms A country's aspirations may be high, but the resources, manpower, technical

1 Here one is reminded of H Simon's 'The Proverbs of Administration' in which he points to two mutually contradictory pairs of proverbs 'Look before you leap' and 'He who hesitates is lost' Should the Planner 'look' or 'hesitate' could well be a dilemma worthy of Hamlet See *Public Administration Review* (Winter 1946)

skill and the administrative machinery may not be equal to the tasks that are called upon to perform to fulfil the desired aspirations But essential needs are different from aspirations The needs have to be ascertained and the resources have to be measured so as to bring about a balance between the two This can be done only on the basis of data

'The essence of planning is thus to turn skills and resources to the service of defined tasks and to develop them in form and in quantity so as to achieve the aims we set before ourselves Aims are determined by needs, but they are always relative to the resources and the skills which we possess These latter are the starting points which help us to determine what we can do or hope to do in a given period of time' [1]

But collection of data does not stop with the initiation of the plan As planning itself is a continuous process, all the steps that go to make the whole process have to be continuous Data collection and processing go on so that there may be adjustments at a later date or improvements in the course of the next plan This plays an important role in the appraisal at every stage and at the end of each plan As planning proceeds, one may reasonably expect more information for further guidance, through research Planning demands an expansion of knowledge of various disciplines Skills have to be adjusted and adapted in accordance with new experiences and any dogmatic or doctrinaire approach or a blind application of the methods followed in some western countries to situations in developing countries will lead to unexpected, and frustrating results

There have not been many studies in management science in the developing nations and in the many enterprises, the theories which proved efficacious in the West, are being applied with results not very satisfactory in the Afro Asian nations

1 V T Krishnamachari, *op cit* p 46

THE TOOL FOR THE TASK

It is evident that the change in outlook from the police state to a social welfare state demands change in methods and techniques. It is better to accomplish new tasks with new tools. The experience in advanced countries has given an insight into the various frictions and bottlenecks that developed as a result of a haphazard growth of policy. By a careful and critical study of these experiences, the new states may try to eliminate these defects, especially because for them the responsibility of their governments is more onerous. This new responsibility can be undertaken only when the governmental organisation is assisted by a body of technical men enjoying a definite constitutional status in the country which would advise the government not only in policy making but also in implementing it by coordinating the various agencies. This body may be named the National Planning Commission.

Though in the process of implementation there may be some difference between the developing countries and the advanced countries, in policy formulation and in the process of creating the maximum amount of public opinion and consciousness, there cannot be basic differences, if the fundamental philosophy that the government is accountable to the people is conceded But how far can democracy of participatory nature be reconciled with planned development based on enlightened and technical knowledge is a matter of doubt If the total political play is oriented towards bringing about social change certain frictions are inevitable It is the age of 'Big Government' we are living in and planning process cannot be viewed as an independent activity apart from the other political process in the country To appreciate and understand the politics of planning of any country one must understand the total politics of the country and in the ultimate analysis, 'politics of planning is simply politics"[1] This is not any the less true in a democratic country than it is in a totalitarian country

This conceptual confusion arises in the case of India because of the peculiar (and pioneer) attempt to graft a target plan on a democratic set up of administration[2] The Soviet plans are understood as totalitarian plans with a neatness about them if one can concede the loss of other values The Western plans are not plans in the sense in which the developing countries understand them They are guiding light' plans as in the case of U K or 'indicative plans as in the case of France These have no fixed targets, no time limit nor a direct participation of the State in all the economic activities The Indian Planning has all these elements characteristic of totalitarian planning while compulsion and coercion which are the other facets of the totalitarian planning are eliminated Can it take the best of both of the worlds and achieve results which neither the Western countries nor the totalitarian countries could attempt to do? India still has to demonstrate that target plans could be achieved under democratic conditions of choice of profession freedom from political

1 See Robert A Dahl Politics of Planning '*International Social Journal*, UNESCO Vol xi No 3 1959

2 The Indian plan is a three dimensional one like that of the Communist countries—the target dimension the time dimension and the financial dimension The plan has to work within these dimensions

punishment for non compliance of fixed tasks However much one may boast of the combinatin of democracy and planning achieved in India one has to hesitate before he positively declares that the wedding has borne good fruit If formal democratic process has to be maintained and fast economic change engineered, frictions which are inevitable in social, traditional and ethical behaviours of the people have to be rather 'undemocratically' suppressed Democracy does not consist just in giving the right to participate in quinquinnial elections Measures have to be taken which smack of a dictatorial administration People will have to be democratically compelled to bear the burden of 'oppressive taxation and will be forced to save for their own benefit, forced to wear gold ornaments of Governments approved quality in carats—all this of course, in the larger interests of the country This is comparable to Rousseau's forcing the people to be free There is thus a scaling down of the democratic values As days roll by and as the country faces crisis after crisis, where will the altruistic professions of democracy be? This is real politics of the country and no value judgement need be made on the situation This is to illustrate that planning has to be involved in politics and to view it as something apart and as something in which only economists have a part to play and that improvement in economy will usher in the millenium is to be unrealistic and unscientific

A study of French Planning[1] would be perhaps very rewarding especially if the great success it achieved is viewed against the unstable political background of post war France The Keynote of the plan s efficiency lies in the realization that those who implement the plan have also to take active part in its formulation It is not the mercenary and abject compliance of orders but a conscious, active and understanding participation that makes any plan a success in the context of modern dynamic conditions

The *Commissariat General du Plan* has been so divised by M Jean Monnet the moving spirit behind the plan, as to represent the various national interests in a compact body, and to assist the government in proposing, advising and estimating the various

1 Vide Pieree Masse Guilding Ideas Behind French Planning" *Political and Economic Planning* March 1961 p 211 For greater details see John Hackett and Anne Marie Hackett *Economic Planning in France*, George Allen and Unwin Ltd London 1963

measures It has no powers over the funds nor can it assume the position of the government in the disbursal of finances Ultimately the financial control has to vest in Finance Ministry, in which the *Commissariat* is incorporated though not as a department Various modernisation commissions composed of heads of firms, leaders of employees associations, workers union representatives officials of concerned departments and academic men assist the *Commissariat*

'In proposing this organisation, Jean Monnet hoped to achieve a real mobilisation of expertise, all the more necessary since available statistics did not provide sufficient material for a small team of specialists to draw up the plan Furthermore, he was convinced that those who worked together on the plan would automatically attend to its execution, so greatly reducing the need for governmental intervention Experience has shown that he was right [1]

Preliminary outlines are drawn by the *Commissariat* in association with the Department of Economics and Financial Studies of the Finance Ministry The government consults the Economic and Social Council an assembly of representatives of all the main national interests and elicits their opinions

This is a new development in economic democracy Its value lies in providing those who are often unfairly called technocrats with broader points of contact It is highly desirable that the nation should be consulted through its principal institutions not only when the plan is finally approved but also at the earlier stages when the plan is being pieced together [2]

After this the second stage arrives in which detailed consultations are made with representatives of industries and other interests These interests are organised into vertical and horizontal commissions The vertical commissions deal with different sections while the horizontal commissions check the general balance

'The Commission for regional plans tries to avert any imbalance between different regions [3]

1 *Ibid* p 213
2 *Ibid* p 216 & 217
3 *Ibid* p 221

Though originally the *Commissariat* was attached to the Prime Minister's Office, later it was found convenient to shift it to the Finance Minister's Office. Its status is not that of a department but is given an extra departmental position.

In its conception the plan takes a wider sweep than at present, transcending the national barriers. To put it in the words of M. Monnet,

"I know quite well that in the Western World the word 'Plan' is not a good label. But it has acquired in France a significance which would make it difficult for us to give it up. And if one tries to face facts rather than rest content with words the problem our country will have to face is that of preconcerted development programmes on a multinational scale. It seems to me that the reasons which have been found good at the national level also apply to a group of nations."[1]

From a close study of this procedure the following points may be drawn:

1. Planning should be embarked upon after taking the general agreement of the people at large. Proper institutions for this purpose have to be created.
2. The danger of too much of bureaucracy and technocracy has to be eliminated, especially since technical men and administrators assume more powers with greater governmental participation.
3. Those who draw up the plan have to be made responsible for its implementation.
4. While drafting a plan imbalance not only in the various sectors of economy but also among various regions has to be carefully avoided.[2]
5. The frontiers of the plan can be extended beyond national limits provided proper understanding and cooperation are secured, and
6. Finally the position and status which have to be accorded

1. *Ibid* p. 221

2. The theory of balanced growth has been challenged by some economists like Hirschman. It is with regard to different sectors of economy. But balanced rational growth is different and is not concerned with the controversy.

to the planning body also merits a serious consideration, that is to say, whether it should be departmental or extra departmental

The Dutch experience presents another interesting study in free planning

The main instruments that draw up the 'plan' are Central Planning Bureau and the Central Planning Committee

Established in 1945, after experiencing the devastation in the Second World War, it was made a statutory body by virtue of the Act passed on 21st April 1947 The Act defines the Central Economic Plan as "a balanced system of estimates and directives with regard to the Netherlands economy '[1]

After the war the economy had to be set on a proper keel Resort had to be made to methods like rationing, import restrictions price control etc , though there was a relaxation gradually The growth of population and the sudden influx of people from Indonesia,[2] created the need for a proper economic, social and financial policy The Central Planning Bureau coordinates these and tenders advice to the Ministry on the basis of its projections

The basic factor again is that the Plan is only a directive with out production targets and resort to compulsory measures of enforcement

The work of the Central Planning Bureau does not consist in the drawing up of concrete projects Such a form can mostly be found in underdeveloped countries, where there is often a lack of private initiative and of specialized and well equipped ministries '[3]

The Central Planning Bureau is under the Ministry of Economic Affairs and the members are answerable to and are liable to be dismissed by, the Minister In addition to the Central Planning Bureau, a Central Planning Committee composed of the representatives of the ministries employers, employees business men and experts was set up as a managing board of C P B

1 Staatsblad H 127—Act of April 21 1947

2 While the Ministry for Building was prepared to construct 65 000 dwellings a sudden influx of 300 000 from Indonesia imposed an unexpected burden This is an example of unexpected eventualities that have to be faced

3 *Scope and methods of the Central Planning Bureau* The Hague 1956 p 15

It examines the plans drafted by the C P B and acts as an ad visory Committee to the Minister of Economic Affairs

Data are obtained from the Central Bureau of Statistics, the Ministers the business organisations and its own knowledge of facts and by getting an insight into the principles and objectives of the government proper, coordination between physical economic and social fields is sought to be effected The first draft goes to the various ministries and on obtaining the criticisms and suggestions from them a second draft is made and sent to the Central Planning Committee After incorporating their views the third draft is released Then it is sent to the Parliament and public for infor mation

The following points may be noted from the Dutch experience

1 The Planning body is given a statutory position

2 It is attached to the Ministry of Economic Affairs

3 It is the institution for collection of data coordination and advice

4 The Plan takes the final shape only after a long deliberate discussions with all the representative sections of the community

Planning in Britain also takes into consideration the freedom of choice for the individual and the complex nature of the indus trial system which had been steadily growing for over a century Hence planning is flexible only basic industries like coal, steel power and services like transport and building are controlled

After the Second World War, need was felt for an "organisation with enough knowledge and reliable information to assess our national resources and to formulate national needs [1]

The Central Economic Planning Staff, the Central Statistical Office and the Economic Section supported by various sections constitute the required organisation This body forwards the departmental estimates together with their recommendations to the Chairman of the inter departmental materials Committee, who prepares a provisional scheme of allocations This is pre sented to the whole committee before whom all the sponsoring departments could represent their interests The final scheme

1 Vide Gilbert Walker *Economic Planning by Programme and Control in Great Britain* Heinemann Ltd London 1957 p 66

has to be debated in the Parliament The instrument for bring ing planned development is the budget The Planning Body which was under the Department of Economic Affairs was absorb ed into the Treasury

Thinking on planning in Britain can be traced back to the nine teen twenties when the rate of unemploymet was 22 percent as contrasted to the Soviet Union which claimed complete elimina tion of unemployment But the principle of consumer s soverei gnty and the vices to which the totalitarian methods gave birth, reinforced the belief in market economy But with the Labour Government s coming to power planning was again considered as a method of implementing the economic policy

The seeds of planned economy were sown by the Labour Government in 1930 The Economic Advisory Council was formed with the Prime Minister as Chairman, four ministers, six economists, and others from industries, commerce and trade The function of this body was purely advisory in nature

With the Second World War came the innumerable controls which showed after the end of the 'Storm a high level of employ ment which could be maintained with slight finer adjustments

By 1947 the Economic Planning Board was set up by Premier Attlee as a purely advisory body to the governmet linking it with industry Its recommendations were confidential It was made part of the Central Economic Planning Staff which was placed under the Treasury in 1950 With the absorption of the Board into the Staff and the absorption of the Staff by the Treasury, their importance completely declined

With the economic crisis in 1961 following a series of adverse balance of payments and slow economic growth, the need arose for a fresh thought on planning for bringing about rapid and sus tained growth and for a greater control over public and also private sectors

> Mr Selwyn Lloyd the then Chancellor of the Exchequer said "Clearly we shall need some new machinery for this work I envisage that this might take the following form First I propose the creation of a National Economic Development Council The Chancellor of the Exchequer would be the Chairman, and one or two other ministers such as the President of the Board of Trade and the Minister for Labour would

be members The other members of the council, who would be appointed by the Chancellor after appropriate consultations would be drawn from the trade union and from the management side of private and nationalised industry, with perhaps some additional members

Thus the Chancellor of the Exchequer retained the ultimate power over the conduct of this body by presiding over its deliberations and also appointing other members of the Council Again with regard to the recommendations made by the Council he said

Responsibility for final decisions on matters of Government policy must remain with the Government but the views expressed by the council would carry great weight both with the Government and with industry [1]

The tasks of the Council in general were to examine the economic performance of the nation, including both public and private sectors and the obstacles to growth and suggesting methods to improve economic performance

Though the Council is purely an advisory body since the chairman is the Chancellor of the Exchequer who is the main coordinator of the financial and economic policies, there is an intangible measure of control Significantly the British planning is called the guiding light planning (Is guiding euphemism for controlling ?)

As a gigantic country of bewildering variety with teeming millions on the verge of starvation just emancipated from a foreign rule, anxious to step up its standards of living and material progress, India offers a unique example of how planning and freedom could go well hand in hand The fact that Indian Five Year Plans evoked the interest and admiration of various countries is a clear indication that for new states there is no other way of progress but by planning Literature abounds on Indian plans

The idea of establishing a Planning Commission as an instrument for drafting a national development plan is not novel as was already noted in the preceding pages So when the Planning Commission was set up in March 1950 soon after independ

1 House of Commons Debate on 26 and 27th of July 1961

dence, it was only a continuation of the project that was conceived in 1938 under the aegis of the Indian National Congress

The Planning Commission is an elaborate organisation acting mainly as a staff agency though it has the members of the cabinet functioning in it The Prime Minister is the Chairman and the Minister of Planning, the Minister of Finance and the Minister of Defence are also members of the Commission The inclusion of the Minister of Defence is noteworthy This is because defence production in India is under the state, certain changes have been made after the formation of Mrs Indira Gandhi s Government These are discussed later

As India is a federation a high power body called the National Development Council composed of all the members of the Planning Commission and the Chief Ministers of all the states of India, is set up to reach agreement on a national level and to coordinate the regional and state plans with the National Plan All the inter state rivalries and conflicts are sought to be ironed out in the meetings of the National Development Council At the present time, since only one party *viz* the Indian National Congress has dominant power in the whole country the meetings of this council may run as smoothly as the party's inner directives would facilitate If different parties come to power in different states or if the certrifugal forces in the country pull stronger than the centripetal forces, the National Development Council will naturally reflect this whole conflict At the same time the National Development Council being the only high power body where all the executives of the Central and State Governments meet and confer and thrash out their differences it is likely to assume greater importance than it does now

Since India is a poor country with formidable growth in population together with the inevitable concomittants like ignorance disease and low capital formation etc, the plan has to be as all pervasive as the democratic structure would permit Hence while the Indian Planning is not a totalitarian Plan as that of her neighbour China's is (with whom she shares many things in social and economic and technological sphere), it is a Total Plan in as much as the State has to permeate into all activities of the people Otherwise democracy cannot be meaningful in this context

The following important features may be discerned from the Planning process in India [1]

1 Recognition of the need for the state to play the crucial role in transforming the society not necessarily by complete nationalisation of the means of production and elimination of private ownership in agriculture business and industry but by widening the public sector and reorienting the private sector to the needs of the plan

2 Solicitation of the people s active participation by creating the necessary institutions built into the planning machinery itself and a constant review of their work

'The aims of the Five Year Plan are wider than the targets of the achievement proposed in it It is, therefore essential that conditions should be created to enable individuals and groups to make their maximum contribution as citizens and in fulfilling the targets of the Plan and advancing its objectives careful consideration of these arrangements has to be regarded as much a part of a scheme as the estimate of expenditure or the schedule of work or the statement of benefits which are anticipated "[2]

3 The Planning Commission acts primarily as a staff agency and liaison is maintained between the Planning Commission and the Ministry by enabling the ministers to be present during the meetings of the Commission

4 The Planning Commission is accorded a high status by its being chaired by the Prime Minister

5 A separate minister is appointed for Planning

6 A combination of general administrators and specialists is sought to be achieved by affording the assistance of civil ser

1 Vide *Organisation of the Govt of India* Asia Publishing House Delhi 1958 publications by the Planning Commission India and also P P Aggarwal—' The Planning Commission *Indian Journal of Public Administration* 1957 pp 333 345 for detailed description of the administrative set up and functions of the Planning Commission and also H K Paranjape *The Planning Commission A descriptive Account* ' Indian Institute of Public Administration 1965

2 *The First Five Year Plan*, Govt of India 1952 pp 146-148

vants and subject specialists to the members of the Commission who are themselves eminent men from different disciplines

7 Regional or state plans are also not neglected They are integrated into the general pattern of the National Plan itself This is done by the meetings of the National Development Council which coordinates the state plans with the National Plan This is to secure a balanced development of all parts of the country

8 Community development is made an integral part of the Five Year Plan This having developed in magnitude necessitated the creation of a separate ministry in its own right in 1956, and finally

9 The Planning Commission is not a statutory body

The Administrative Reforms Commission made certain recommendations regarding the reconstitution of the Planning Commission which had come in for a great deal of critisism by the end of the Third Five Year Plan Again discussion centred round problems like constituting the body as a purely advisory body composed of experts in various technical fields with an independent technical person as a chairman This was thought to be relevant in the contemporary political situation in which different parties or combination of parties ruled in different states and they are more likely to listen to the advice given by non party experts

But the importance of the participation of the Prime Minister as the supreme head of the country s administration was generally recognised At the same time the role played by the Finance Minister as the financial coordinator of all the various departments could also not be ignored The other ministers who were associated with the Planning Commission hitherto were no more found to be necessary The Planning Commission was to concentrate on the formulation of plans and evaluation of its performance It should be relieved of its executive functions It should also submit to the cabinet the implications of the alternate choices and policies suggest methods to secure coordination between long term and short term plans etc

The present constitution of the body is as follows

i Chairman Prime Minister of India

ii Deputy Chairman incharge of Economic groups and plan coordination

of the countries in south east Asia and the Middle East where certain of the basic pre conditions of economic growth have not yet been met In other countries, the task may not be outside the capacity of government, though the problems are formidable At present time, India appears to offer the best possibilities for a government with this capacity

"Latin America is the only part of the underdeveloped world of which it can be said that certain countries are well along towards the achievement of sustained growth The student of economic development interested in observing the growth process in motion is well advised to repair to Latin America In South east Asia and the Middle-East this process is not as yet, well begun Africa belongs to the future "[1]

It is evident that there should be a plan oriented administrative organization to shoulder the formidale burden This in itself needs an administrative Planning

The experiences in the Soviet Planning point to the totalitarian methods adopted in its implementation The purpose of this analysis is not so much to pass value judgements on the political and social systems any country has chosen to adopt, as to try and find out the administrative procedure or the preparation and implementation of a plan in which the community's aspirations are enshrined The agonising experience of the Soviet Union during the pre natal period as well as during the period of implementation are an object lesson to the underdeveloped countries As Baykov says

"Thus systematic study over many years of the development of the national economy and economic system of the U S S R has convinced me that only by adopting the historical approach in the study of the present day economic system of the U S S R can one hope to avoid errors and pitfalls, and to find explanations conforming to reality, and moreover that this approach is equally necessary to enable economists and sociologists who are confronted with similar problems in other countrie to understand the lesson of Russian experience "[2]

1 *Ibid* pp 58 59

2 Alexander Baykov *The Development of Soviet Economic System'*, Cambridge 1950 p xii

Taking all these significant features into consideration, an institution has to be created which would work for securing the general agreement of the people by ascertaining their requirements using appropriate methods of collecting data and ascertaining the resources in the country and the potentialities that can be exploited What status has to be accorded to this institution, what are its functions and powers vis a vis the ministers who are responsible to the legislature for policies and what is its relation to politial parties, are all questions that merit a detailed study

The preliminary step therefore is the constitution of the planning body once the proposition that planning is better than antomatic adjustment is granted Then the following points may be considered as the concommittant factors

1 The basis of constituting the membership of the body
2 The constitutional position of the body
3 Its functions and powers
4 Other auxiliary bodies connected with it

SEC I The Basis of constituting the membership of the body

Who should be the members of the Planning body and what qualifications should be prescribed for it? What should be their political affiliations or should they have political affiliations necessarily? Every one would agree that the best men available in the country from various fields of study should be utilised for the purpose They must be men who are aware of the problems and also possess the knowledge of the ways and means of tackling them

The problems of course are a legion but broadly they may be divided into three categories

Group I Problems of physical sciences which include those that have to be comprehended and solved by the knowledge and experience that has been tested or can be tested by observation and experiment For example, the engineer be he electrical civil or mechanical the medical man, the geologist etc

Group II The problems of social sciences are those that cannot be tested with the accuracy of laboratorial experiments

and hence can never be amenable to any final solution creating thereby the most intricate difficulties for any policy implementation Since these problems appear to be solvable by many alternatives, there may exist as many differences of opinion as there are alternatives and unless methods of totalitarianism are adopted, it needs efficient propaganda to convince people in general the superiority of one alternative over the others These are the problems of sociology politics, etc

Group III There are other problems which fall in the twilight regions between both these varieties, economics statistics demography architecture, town planning etc may constitute this group

In the first group there is the maximum scope for objectivity while in the second subjectivity plays an important role Value systems come into play as was discussed earlier It is in the staffing of this group of scientists that political factors may play an unpleasant role In a country where there is the domination of single party which is identifiable with the government, social scientist who contribute to the views of the ruling party alone will find favour This does ot mean that in the first group political favourites will not find favour as against men with merit The Lysenko controversy in the Stalinist era is an example of how even the objectivity of cience was eclipsed by the shadow of politics

The crux of the problems lies in devising the means to enlist the services of the most eminent scientists both physical as well as social, irrespective of their political affiliations or total political non affiliation

Should the national plan be a party plan on which the party seeks the vote of the electorate or should it be matter of common concern to the nation as a whole? In the Soviet Union and other Eastern European countries, the plan is openly and frankly the concern of the party This has a certain neatness about it as the plan is highly centralized and comprehensive, steam rollering unwanted outgrowths Conflicts of opinion are resolved in the inner party level without any unpleasant frictions being thrown into the public forum

In countries where parties function in a democratic system if the planning body is composed of men whom the ruling party favours it is fraught with two difficulties

1 Since parties by definition contend with each other, opposition parties may not offer their full cooperation to the plan and on the contrary may thwart it, tarnishing it as partisan, repudiating it as a creation for the furtherance of the ruling party s interest This instransigence on the part of the opposition groups may either frustrate the plan or depending upon the power con figuration lead to coercion

2 If the plan becomes a subject of serious controversy among the parties, it may be subject to a complete revision or abro gation when opposition parties come to power The serious loss that is likely to occur as a result of such shifts can be very well imagined The plans are not likely to yield immediate results and this may be easily exploited by opposition parties Passion may replace sacrifice which is so essential for the success of the plan

When targets are fixed and time limit is set and the whole ad ministrative machinery is geared towards the fulfilment of the tasks the planning body has to enjoy the support and confidence of all shades of political opinon or at least of such of those as are likely to come to power Only in such a case can the members enjoy a permanency of tenure[1] which is so essential

Apart from these above mentioned reasons for securing a permanency of tenure for a non partisan character of the members another post war development merits a serious consideration The advanced nations of the West have realized that peace and prosperity in future is linked with the economic and social progress of the less developed areas of the world On this point at least in verbal proclamations there is unanimity among the leading countries of the world

'Awareness that assistance to the underdeveloped countries is not only good morals but good business is of relatively recent origin In fact it was not until the decade of 1950 s that the richer nations devoted substantial sums to their purpose In the decade of 50 s private investment and public grants and loans, including those from the World Bank totalled around £30 billion [2]

1 Except for misconduct or other misdemeanours when adequate legal provision for dismissal has to be made

2 Paul M Hoffman *One hundred Countries and Quarter Billion People* ' Albert D and Marry Laskar Foundation, Washington D C p 9

and hence can never be amenable to any final solution creating thereby the most intricate difficulties for any policy implementation Since these problems appear to be solvable by many alternatives there may exist as many differences of opinion as there are alternatives and unless methods of totalitarianism are adopted it needs efficient propaganda to convince people in general the superiority of one alternative over the others These are the problems of sociology politics, etc

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Technical assistance through men and material investment and pre investment assistance loans etc have to be properly and intelligently administered Whatever be the political wranglings inside these countries the assistance that comes from the advanced countries the World Bank and the U N Organisation cannot be properly utilized unless there are dedicated and efficient planning body and civil servants People with great skill an understanding of not only the modern scientific technology bu also the indigenous social systems and traditions are required

The vagaries experienced in Nepal where the planning machi nery was first created in 1949 and dissolved after a few months and again created in 1953 and again dissolved in 1959 to be replaced by a Board which was also dissolved in 1961 are not conducive to proper planning and have to be avodied (Now there is National Planning Council created in 1961)

In France the *Commissariat* and the Modernisation Commis sion together comprise as wide a representation of various interests as possible piece together a picture of future economic and social activity in connection with National Development [1] This is worthy of emulation

Thus the plea to constitute a body not dependent for its exis tence on the fate of the party in power seems an irresistible con clusion Apart from experts in various fields there should also be generalists who could coordinate these experts' recommenda tions In addition to the experts appropriate to the various fields the administrative admachinery must also include people knowledgeable in the processes of planning *per se*

In most of the emerging countries there is either a single party commanding the largest following as in India or there is a dic tatorship In certain others monarchical types exist Whatever be the forms of government 'What is administered best is best In the context of under development there could be a distinction between oppression as oppression—and oppressive but purposeful discipline and between static dictatorship and dictatorial develop ment [2] It should be welcome as long as the leadership is commit ted to the future progress of the nation and hence would draft the best brains of the country for its development

[1] Pierce Masse (quoting M Monnet) *op cit* p 213

[2] See Robert Heilbroner *Th Great Ascent* Harper Row New York 1963 p 175

SEC 2 The Constitutional Position of the Body

Since the Planning Commission is a super imposition over the already existing governmental bodies and its influence permeates into all departments, its position has to be legally defined Vagueness about this has given rise to allegations of usurpation of undue powers by the Commission in India

The heavy leaning on the economists to the almost total exclusion of sociologists and political scientists in the Planning Commission has accentuated this lopsidedness in the planning which has set aside consideration of sociological factors and traditional values and frictions that arise in these fields so as to focus only on factors that conduce to economic development [1] There is of course some lip service here and there to our rich heritage of social and traditional values [2] This is a feature of the Indian planning thought that economic betterment would automatically set other things right Socialism being made a catch slogan, than a real aim all the doctrinaire procedures prescribed for the attainment of the socialist goal ought to be followed—whether they are socially acceptable or not and whether they are administratively feasible or not, these have to be accomplished in great speed Thus again a great deal of "statism" and bureaucratic ritual increased at the expense of efficiency and expedition

'The greatest stress in the Plan has to be on implementation, on speed and thoroughness in seeking practical results Discipline and national unity are the very basis of social and economic progress and the achievement of socialism [3] These have been mere 'words words words

1 See Bertram M Gross 'Administrtion of Economic Development Planning Findings and Fallacies" *Public Administration Review* Vol 25 No 4 Dec 1965 pp 263 273 wherein he argues against the over emphasis placed on the role of economists who bamboozle others with their number magic If they are put in actual situations they would render more realistic service

2 Recently Mr Ashok Mehta the Former Deputy Chairman of the Planning Commission stressed the importance of these factors in the plan thinking The Administrative Organisation for Economic Development 'in Conference Report warns that Economic advancement in various underdeveloped parts of the world is liable to meet obstacles of social nature that can impede progress towards higher standard of living' Published by Heldane House London 1959 p 69

3 *The Third Five Year Plan* p xiv

Every one including even the Ex Deputy Chairman of the Planning Commission tries to stress the non political participation of the planning body as a 'purely' advisory agency[1] Another prolific political columnist and politician and an invariable associate in national commissions recommended not long ago that the Planning Commission should be made an independent statutory body like the Indian Union Public Service Commission so that political involvement and political consideration will be completely eliminated[2] This theoretical fiction is still maintained

Professors of economy see that the Planning Commission ought to delimit its domain and not enter into fields which are not within its jurisdiction A fine line of distinction is drawn between matters that pertain to development and those that are other than that of development and the failure of the Planning Commission is attributed to its abdicating its purely advisory capacity and coming to fix itself in the actual process of formulation of public policies even in the matters other than that of development[3]

Indian Planning is not a totalitarian planning but a total planning which pervades into every aspect of the life of her people through a democratic process which in essence insists on persuasion rather than compulsion In such a context it becomes practically impossible to see such distinctions as proposed by Prof D R Gadgil in the process of all round change and development

The Planning Commission created by the Government in

1 Mr Ashok Mehta during his visit to U K immediately after his appointment said in a press conference in London that the rights of the Planning Commission are similar to those of the British Sovereign as enumerated by W Bagehot— the right to be consulted the right to encourage and the right to warn

2 See K Santhanam *Democratic Planning* Asia Publishing House London 1961 p 198 201 chapter entitled Planning and Politics in India The title of this book is either a misnomer because it does not contain any chapter except the above mentioned one on planning as such among the 42 miscellaneous topics stringed together or unconsciously it is an admission that all the topics he wrote on ranging from Panch Sheel to President's rule in Kerala are relevant to the politics of planning and that the separation of these two is unrealistic

3 See D R Gadgil *Planning and Economic Policy in India* Asia Publishing House London 1961 p 104

power, not under any statutory provision or in accordance with any constitutional injunction,[1]—has been found to have become an Economic cabinet and having so become 'extended the scope of its activities to embrace functions and responsibilities which must both traditionally and otherwise belong to the constituted government'[2] A picture here is conjured up of a Frankeinstein monster who tried to kill its own creator! There is an usurpation of the powers of the democratically constituted cabinet by a non statutory, non elective body This observation is made in the face of the fact that the Prime Minister of the country is the Chairman the Finance Minister and the Defence Minister and any other member of the cabinet as occasion demands are members of the Planning Commission The other popularly used epithets to describe the Planning Commission are that it is a Fifth Wheel and a Super Cabinet!

Having been born, true to the Parkinsonian law the agency developed into one of the biggest national institutions and inspite of all constitutional and platitudinous arguments to the contrary has developed itself into an indispensable coordinating agency of the country as a whole tendering advice which in practice tantamounts to a mandate In fact the Planning Commission has become one of the factors for the need for a unitary rather than federal government[3]

"The place of the Commission in India's administration and its relation with both the central and the State Government were not, however clearly stated

"The undefined position of the Commission and its wide terms of reference have gradually led to its growth as the Economic Cabinet not merely for the Union but also for the States The

1 The Indian Finance Commission, the Union Public Service Commission and the Election Commission are all bodies formed in accordance with the express provisions in the Indian Constitution

2 Ashok Chanda, *'Indian Administration'* George Allen and Unwin Ltd London 1957 p 92

3 In this phenomenal expansion the Planning Commission of India differs from the *Commissariat du plan* of France which meticulously tried to keep its staff to the minimum But the matrix in which the planning operates in France is entirely different from that in which the Indian Planning operates Anyway, this expansion has resulted in duplication of processing instead of expedition as administrative and planning staff work on parallel lines

Commission has seized upon this position and extended the scope of its activities to embrace functions and responsibilities which must both traditionally and otherwise belong to the constitut government 1

The traditional administrator will find himself ill at eas with this new development and resent the encroachment by the new body into his realms as the above statement bears out

Should the planning commission be just an advisory body, like the English Sovereign in the words of Bagehot having only the right to be consulted the right to encourage and the right to warn or should it go beyond this jurisdiction is a moot ques tion which is very difficult to answer in a hard and fast manner The old conceptions of complete separation of powers of Montes quieu are inapplicable in modern administrative states The state today is a policy making body State policy making has be come incomprehensible to the common man

The Administrative Reforms Commission of India constitu ted to go into the question of the Machinery of Planning says

Those who suggest the creation of a constitutional body are apparently carrying too far the idea of separation of the executive from the judiciary They seem to carry their sus picion of the executive to such an extent that they would pre vent it from functioning even in an area which is its special responsibility If the Planning Commission makes its plan isolating itself in an ivory tower it will not be able to put life in those plans which will then fail to command ac ceptance 2

The distinctions between line and staff which were developed during the earlier writings on public administration are also wearing thin as experience has shown that staff and line almost merge into one another Hence to try to limit the jurisdiction of the Planning Commission in terms thus far and no further would result in a wooden headed legalistic wrangling Planning impinges on every state activity and hence to a certain extent the 'interference has to be reconciled with

1 Ashok Chanda op cit p 52

2 Interim Report of the Administrative Reform Commission on the Machinery of Planning Recommendation 3 p 8 1967

Prof D R Gadgil is another eminent scholar who criticised the Indian Planning Commission for such transgression He is presently the Deputy Chairman Accusing the Planning Commission of failing to assess resources, to produce annual plans and to watch the progress of the Plan, he argues that the root of the failure lies in the process by which the Planning Commssion, essentially only an advising body, has come to fix itself in the actual process of the formulation of public policies even in matters other than that of development [2]

Both Prof Gadgil and Mr Ashok Chanda have accused the Indian Planning Commission of becoming like Caesar, over-ambitious In a developing country the task of development is an all pervading effort and again to try to subtly distinguish between matters of development and matters other than development is to attempt at a futile hair splitting

The Planning Commission is not a separate body independent of the Cabinet or the executive for it just to tender advice, submit recommendations and silently watch the results Though in its composition it has experts from various fields outside of the political field some members of the cabinet play the most important and operative role (To what ministry should it be attached, or what ministers should be on the Planning Commission are discussed elsewhere)

We have examined previously if it would be advantageous to make the Planning Commission a statutory body so as to assure it of independence from execessive political interference and permanency of tenure irrespective of changes in the political set up That would also ensure a degree of neutrality which has a beneficial influence to the country But it cannot be completely devoid of ministers participation in the deliberation and formulation of the plans The reasons are

1 Once the Planning Commission becomes a statutory body the members become irremovable during the period of good conduct They may formulate plans which are attractive on paper but impossible in implementation because they are not directly involved in the latter aspect

2 On the contrary they may, like the American Regulatory Commissions pursue their duties more or less oblivious of

2 D R Gadgil, *op cit* p 107

whether the policies followed fit in with national economic policy or with the policy of the political party in office' 1

3 Unless the ministers of the cabinet rank are also members participating in the Planning Commission s work, the Commission cannot enjoy the position and status it ought to and

4 As the French experience has shown it is only when those who are responsible for the implementation of the plan are also the participants in the formulation can the plan achieve success

A proper coordination between the political policy and (the non political) expertise can be secured by making the head of the state or the Prime Minister as the case may be the ex officio chairman The non political members of the Commission should be permitted to record their views without fear in case of disagreement with the political leadership The Planning Commission as such cannot direct the departments by issuing their decrees as this is the province of the ministry But they cannot also completely cut off their connections with the departments down the line since it is the Planning commission that has to assess supervise and reappraise

This may give rise to disputes between the Planning Commission and the administrative departments These have to be settled by the executive who alone are responsible to the legislature Such eventualities may be avoided by the creation of coordinating sections in each department which will maintain a liaison between the Planning Commission and the administrative agencies

Much also depends upon the proper understanding by the administrative departments of the new role they have to play The administration itself has to be plan conscious and also be enthused with the new spirit that they have to play a crucial role in the transformation of the country The politics of administration and the politics of planning are ultimately the politics of development itself

SEC 3 Its Functions and Powers

The functions of the Planning Commission are determined by the position that is accorded to it in each country Assuming

1 Vide Dimmock and Koenig *Public Administration* Rinehart & Co Inc New York 1960 p 196

that the Commission is of the type described above with technicl experts and also some members of the cabinet the following may be considered its important functions

1 Survey of the resources manpower material and monetary, and of the limitations those that can be overcome and those that cannot be For this purpose the body will have to be assisted by other auxiliary bodies and governmental departments In addition, the knowledge and wisdom of the members themselves will have to fill in the gaps wherever concrete figures are not available

2 Drawing up of the Draft Plan showing the objectives, targets, and allocation of priorities and reasons thereof dividing the plan into various stages and presenting it for approval of the executive

3 Coordinating the administrative departments work and the implementation of the plan and to devise methods for smooth working of the plan

4 Appraisal of the plan progress and advising the executive on the methods to be adopted from time to time for adjustments to be made

5 Coordinating the regional plans with the central plan so that they may fit into a unified framework This in case there are regional plans

6 Making a periodical report of the plan s progress and reappraise the situation and even the objectives A built in mechanism for a feed back has to be devised

7 Constructing proper machinery of communication from the top to the bottom echelons and vice versa so that proper inspection and supervision are maintained Communicating to the people and attracting their enthusiastic participation

8 Securing coordination between the public sector and the private sector and also between agricultural sector and industrial sector

In most of the developing countries while there appeared to be national unity among all the peoples of various regions during the period of their struggle for emancipation from a foreign rule the differences among the various regions began to come to the fore and assert themselves after the cause for this national unity,

namely the foreign domination, was removed This is felt in India Nigeria and Pakistan very sharply 1

Whatever be the differences fundamental needs for rapid industrialiation stepping up of agriculture and provision of basic necessities of life do warrant a single comprehensive plan The *aim should therefore be not only a balanced development in the* economic sector but also a balanced regional dvelopment on a nationwide scale A plan thus constituted by a planning commission whose composition also is representative of the various regions will serve to even out the inter regional jealousies and eliminate the centrifugal forces operating in a country Thus the plan becomes a powerful instrument of national integration

In time span there are three categories of plans

(*a*) Longterm plan or perspective plan

(*b*) Plan for a fixed period of time (like 5 years or 6 years etc)

(*c*) Annual plan (or a shorter period within a year)

Planning by definition means action oriented towards the future in such a way as to anticipate what would be the needs in a particular span of time and how the planner is going to lay down his strategy to meet those ends In the sense that planning is future oriented the expression prospective planning is redundant on the face of it More so is it the case when we are clear in our heads that planning in this context means socio economic planning and not planning a house, for instance Because when we plan a house though it is towards the future none but very meticulous persons (perhap with a impeccable belief in astrology) will build as many rooms as the children he is likely to have in future and a kitchen a dining room etc as big as to hold the full complement of his future family The others not so perspective in their planning will within the circumscription imposed

1 A perusal of the Parliamentary debates in India during the First Five Year Plan Period of the happenings in Pakistan of the disputes among Karens Kachins Kons Arkenese and Burmans in Burma the tragedy in Congo and the regional loyalties in Nigeria clearly demonstrated the danger to national integration While emotional integration has to take place the economic and social integration through the instrumentality of the plan will go a long way towards national consolidation

See also Selig Harrison *Dangerous Decades* Oxford University Press which perhaps over played the dangers of fissiparous tendencies in India

by limited finance generally put up a foundation to stand an extra floor if in some future date (about which he is hazy) he should be in a position to build one

Thus even in the limited use of the word plan the 'perspective' element is inherent But as planning is a continuum, process which does not end by just fulfilling the targets but extends far beyond taking within its embrace the developments foreseen and unforeseen, the term perspective planning does not seem as redundant as it apparently appears to be When we talk of plan, we have the five years plan in view The characteristic feature of a Five Year Plan is the fixation of certain targets in different sectors to be fulfilled by the end of the plan period After this period we proceed towards another plan period Thus the planning process is more or less piece meal The targets and objectives, the priorities and financial allocations differ in every five year term A perspective plan would mean a very long range view, far far beyond the Five Year limit to which we are accustomed at present The Five Year Plan mentality gives a sort of smug complacency if at the end of the period the targets are somehow reached

Perspective planning is more easily done in a totalitarian system where leadership perpetuates itself, than in countries where with every quinquennial elections governments and ministers are likely to change The politics of planning being the sum total of the political processes in any country, much depends upon these political processes The difficulty of perspective planning therefore in countries where the governments are likely to change is because of the total difference, in outlook, in value judgments, in high policies between the outgoing and incoming governments Hence the period of plan has to be coterminus with the period of every government This difficulty can be minimised by constituting the planning machinery by more experts in fields of economics sociology, sciences and education etc than men from the Cabinet itself who generally are essentially political That would eliminate radical changes in outlook of different occupants of ministerial seats In the context of underdevelopment there may not be radical differences in the broad perspective Planning will be thwarted if because of the political vicissitudes the long range projection is lost sight of or abandoned

Five Year or six year plans are the detailed working out of the

plan targets taking into consideration the financial and other resources These, of course, must conform to the long term plan projections

Annual plans are more or less review plans of the Five Year Plans These are very important because a Five Year period may be too long and a reappraisal every year becomes essential for finer adjustments in the plan It is significant that in India after the failure of the Third Five Year Plan the Fourth plan even though it was drafted had to be given up as being too ambitious An almost plan holiday was declared and after a great deal of deli beration only an annual plan was drafted with great hesitation

While coming down to the Five year Plan more cooperation from various agencies of the government more exact statistical data and other information become necessary Proper coordi nation among the ministries and regional governments has to be worked out in the process of formulating the plan as well as in its execution

In countries where the private sector also has to play an important role a greater harmoncy has to be secured between state sector and the private sector This step calls for an en forcement of controls licences and taxes, and credit policies Hence the maximum cooperation of the representatives of all sections of the community must be secured for these plans The Planning Commission has further to guide the executive in formu lating procedure for achieving this end

Even in this there are likely to be great differences between countries In small countries with homogenous people belonging to the same religion and having the same traditions, speaking the same language a small group of people may be in a position to assess and formulate a plan But in large countries with hetero genous population the regional units also have to be consulted and their requirements have to be examined and on the basis of all these diverse factors a well coordinated national plan has to be drafted As mentioned earlier a plan has to be made a high power instrument *par excellence* to bring about national integrity

The tasks of breaking up the plan into annual blocks to evaluate correctly and make provision in the annual budget, and to make proper appraisal of the work done also fall on the Planning Commissions Every civilised government prepares and presents

a budget every year Budget is a financial cross reference to the economic, social and cultural policy of the Government

The financial resources and expenditure estimates and national income and investment, foreign exchange personal requirements and other things have to be assessed according to the Plan and the result must be reflected in the budget Therefore an annual plan is absolutely essential not only from the point of view of reappraisal but also from the view point of democratic administration 1

In case of any bottle necks developing in the course of the plan implementation a five year period is too long and the annual plans serve to remove th bottle necks and remedy the defects

A plan is after all human and human judgement is likey to err There are many developments beyond the human control which may unexpectedly impede the progress of the plan Hence the plan has to be flexible and allow some elbow room for adjustment

The yearly plan would make the necessary adjustments in the Five Year Plan These adjustments are within the province of the executive But the Planning Commission must visualise these unexpected turns of events and have alternate proposals for ready use by the executive

Reappraisal is a process of reassessment or revaluation Since the whole philosophy of planning is to minimise chance happenings or fortuitousness and to maximise the directed and guided action need arises to look back at every stage and re examine whether things are happening according to directions and wherever a minor deviation occurs it has to be put back on proper rails 'A stitch in time saves nine is an old adage which holds good even in planning

SEC 4 **The Auxiliary Bodies**

The Planning Commission is not an omnicient body which can assess the resources of the country, formulate its needs and accomplish the goals straightaway It has to be helped at various stages by different organisations The physical factors like the material resources and population, the potentialities

1 The desirability of a performance budgeting here is very great though the capability for producing it is questionable

which have to be tapped, the psychological factors the customs and traditions of the people, the economic factors labour and organisational potentialities etc have to be properly assessed

As planning is a process the flow of information has to be continuous Hence there is a need for a well concerted and coordinated participation of experts in various fields like the economists the sociologists the statisticians, the industrialists the scientists, and the engineers etc

7

ORGANISATION OF THE PLANNING COMMISSION

The aim of this chapter is to build a structural model of a planning body But before doing so it is beneficial to clarify the following issues that arise out of the nature of the state and governmental organisation respectively

1 Planning body in a federation and in a unitary state

2 Administrative location of the Planning body

Planning Body in a Federation and in a Unitary State

Broadly speaking all states can be divided into unitary and federal types This classification is independent of whether the form of Government is presidential or parliamentary, monarchical or dictatorial or any combination thereof Monarchies and dictatorships by definition follow unitary type of Government But it does not mean that all Republican Governments are federal The difference between the federal and unitary types lies, *inter alia* in the Constitutional distribution of powers between the centre and the member units Only this aspect is relevant to the present discussion as it involves the question whether one Central body would be adequate for formulating a national plan or whether there should be as many local bodies as there are units, controlled and co ordinated by a Central body

A major strategic factor in Indian Planning is the federal set up of the country with states having their own state plans to implement and which have to be coordinated with the Central Planning Commission's directive The Planning Commission as already noted has come to act as a great centralising force in directing the country s economic life If a project on the river Godavari at Pochampad in Andhra Pradesh has to be started, it depends on the approval given by the planning body As this project mentioned as an example, involves an expenditure of Rupees 401 millions and when completed would irrigate 570 000 acres of land, the state government can t undertake it independently and so has to depend on the central assistance

As long as Mr Nehru was alive he could command the allegiance of the state chief ministers as the Chairman of the Planning Commission and also the country s high power plan coordinating body the National Development Council in which all the chief ministers of the states are present Inter state conflicts, claims and counter claims could be ironed out in this body under the dominating voice of the late Prime minister The N D C is the only institutionalised high power body where the state chiefs and the National leaders can come together even if different political parties were to come to power in future in different states Therefore much depends on the understanding and harmony that this body can achieve in future for the proper running of the plans simultaneously respecting the principle of federal relations If in the various states other political parties come *into power this factor would militate against the smooth functioning of the N D C*

With the slow tapering off of the foreign assistance contemplated in the Fourth and Fifth Plans and the increasing outlay proposed at the same time, states will have to stand on their own feet and find their own resources This is one of the points that the Central Planning Commission would place before the National Development Council If this were to happen, the states would slowly achieve greater autonomy and the centralising force of the Planning Commission will be relaxed as there will be less dependence on it The scramble will then shift towards asking for more from the taxes that are to be shared between the states and the Centre[1] Mere verbal directives by the Planning Commission without the substantial monetary assistance is not likely to carry weight with the state ministers This is more so when the Planning Commission will be bereft of a powerful leader as its Chairman commanding national following as Nehru in his own big way did Under such circumstances what could prevent any state with

1 Every five years an independent Finance Commission is statutorily constituted to recommend to the Centre the principles which should guide the sharing of taxes between the Centre and the states Mr Ashok Chanda the Chairman of the Third Finance Commission recommended that the Finance Commision be given greater powers or in the alternative to make it a part of the Planning Commission This suggestion is in the context of an overall control exercised by the Planning Commission in determining the sharing of the taxes as a part of its supreme position in the country s economic administration

a powerful chief minister from negotiating on its own initiative with any foreign power for assistance, especially when the plea is economic development of the people ? If the coordinating role of the Central Planning Commission is relaxed, balanced development will be in jeopardy because a more resourceful state can formulate and expedite plans while the less advanced ones will lag behind That would give rise to mass migrations of people for employment and commerce to states which promise better prospects than their native states Competitive labour, frictions between the local population and the migrants reinforced by the linguistic barriers and linguistic policies adopted by the states in India will create formidable problems with which it will be difficult to sleep on a bed of democracy

Even in a unitary state though there does not exist a constitutional division of powers, regional divisions do exist based on historical, administrative, geographical or other factors Thus while in a federation there are three layers, *viz* Central state and regional, in the unitary states there are two—State and Regional [1] If uniform and balanced growth of all regions has to be secured a plan either in a federation or in a unitary state has to visualise the resources and the needs of every region In a unitary state the regional plans have to be controlled and co ordinated at the state level while in the federation further controls and coordination have to be exercised at the Central level over state plans

Another difference would be this While in a unitary state any inter regional plan can be easily drawn up and implemented in the federal state, any plan involving the cooperation of two or more states or regions in two or more states would mean statu tory and legal provisions as in the Tennesse Valley Authority in the U S or Damodar Valley Corporation of India

Whether in a federal state or in a unitary state regional as pects of planning cannot be ignored as experiences have amply proved in various countries including the Soviet Union where planning is highly centralised Special measures to encourage development in underdeveloped regions have to be undertaken

1 The omission of the word local is deliberate since the focus here is more on regional aspects which need not be coterminous with local boundaries

Even in highly developed countries of Western Europe, there exist regions which have not enjoyed their share of progress Hence at the Centre the Central Planning Commission formulates a plan taking an overall view of the nation's requirements whereas the regional level planning bodies have to formulate regional plans, which have special application to the region concerned not conflicting with the National Plan

In the Federal states, the Central plan can be implemented only if powers are constitutionally given to the centre so that conflicts may not occur between the centre and the states and states *inter se* The relation between the constituent states and the centre for the purpose of the plan implementation as well as financial allocation have to be clearly defined

In a federal state, plans will be of three types

(*a*) Central plan, formulated by the Central Planning body which takes an overall view of the whole federation, implemented by the centre as well as by the various component units and coordinated by the centre

(*b*) State plans formulated by the state planning body which takes into consideration the special feature of the concerned state, its resources and requirements, in so far as they do not conflict with the Central Plan

(*c*) Regional plans drawn up with a view to devoting special attention to the backwardness of a particular region formulated by the state or the states in which the particular region lies or even by the Centre 'Region for the purposes of such a plan need not necessarily be a part of one component state As states, obviously, are created according to historic reasons and administrative convenience and not necessarily based on economic consideration it may well be that a region may embrace parts of various adjoining states This region for example (see fig) lies within the jurisdiction of five state governments but has its own special and peculiar problems differing from the other parts of the respective states The rivers that flow through this region may serve to provide hydro electric power and irrigation possibilities Flood control dredging and prevention of soil erosion may be other problems facing this region Provision of a separate administrative agency may effectively serve the local people and even those outside the region to whom power and other services and products from the region can be sold

REGION
STATE BOUNDARY
RAILWAY
RIVER

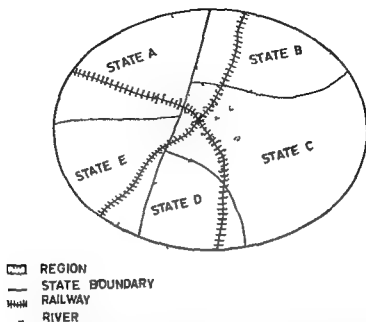



Fig Region coming within administrative jurisdiction of two or more states

This requires a legally binding agreement of all the concerned states regarding revenues for the purpose and share of the benefits or losses thereof. Whether such agreements between states could be made independent of the Centre's ratification is a constitutional issue.

These are some of the legal complications that are inherent in a federal system. Unless these are properly attended to in advance these may subsequently give rise to inter state squabbles and result in impeding the progress of the plan itself.

In unitary states these hurdles can be more easily overcome as there exists only one central authority. Even if the provinces or districts cannot join together to furmulate and execute such a regional plan, the centre may step in and do it. In a Federal state it might mean treading on the sensitive toes of the component states. In other words, it may be *ultra vires* the Central powers. Provisions have to be devised to avoid such conflicts.

To facilitate the smooth functioning of all these three types of plans in the federal states, proper coordination becomes a special task as otherwise the objectives of the central plan may clash with those of the regional plans. For example if the Central plan visualises setting up of a steel industry in a particular re-

the Centre, there is no constitutional provision for the resolution of conflicts in matters of planning among States

In the modern age with the growth of the administrative state, there is a greater tendency towards centripetal forces Nation wide party systems, revolutionary growth of communications, rapid strides in commercial activities, social mobility, defence programmes are among the many factors that have contributed to this inevitable tendency Planning is only one of them Whatever might be the feelings of the constitution framers of the various federations in this regard, facts of life have shaped political forces and constitutional interpretations have been accordingly made to keep in step with dynamic situations The doctrine of implied powers and the principle of national supremacy propounded by Chief Justice Marshall of the U S Supreme Court is a case in point (See MacCullock Vs Maryland, 1819)

Attempts have been devised to see that conflicts of this nature do not thwart the national plan One such is the dissociation of the Deputy Chairman of the Planning Commission from the membership of the Central Cabinet to create this image of the Commission as an independent non partisan agency and enable it to hold the scales between centre and states evenly In its functioning the Planning Commission has not only taken up the task of coordinating the various ministries at the centre, a task which the Finance Ministry had been discharging in the conventional set up, but also of coordinating the plans of various component State governments It actually issues directions and recommendations to the State Governments which though they are clothed in recommendatory language are in fact injunctions or mandates the State Governments cannot ignore

It cannot be denied that a unitary State enjoys an uniformity of administration which can facilitate a more efficient implementation of the plan while the same cannot be said of a Federal State which follows democratic and constitutional principles Uniformity of administration does not conflict with the need for decentralisation In the U S A or Australia or Switzerland where the set up is federal, problems of this kind have not assumed serious proportions because planning in these developed countries is not similar to that visualised in the New States In the Soviet Union with a Federal Constitution in theory, the problems of constitutional conflicts never come to the fore The reason is obvious and does not merit an elaboration In any

act as an umpire among all the claimants or whether there should be a separate agency to do this is a matter depending upon the conditions in each country [1]

Whether the State is Federal or Unitary, one fact cannot be ignored and that is even in a small state regional differences exist and any attempt at treating all regions equally will be only too equalitarian to be really democratic Special attention has to be devoted to certain areas and this can be done by regional planning

Administrative Location of the Planning Body

Which is the most strategic position in the administrative machinery from where the planning body can operate most efficiently and without friction? It is a matter of common experience that with the creation of every new portfolio, frictions between the old and the new ones over lapping of jurisdiction psychological problems like temperamental incompatibilities develop This is more so in the case of the creation of an all pervading body like the Planning Commission, which literally will seek to have its controlling finger in every departmental pie Generally it is the Finance Ministry that is accused of using its purse strings to brow beat every department It enjoyed the privilege of influencing every department and also suffered the wrath of all other departments The Finance Minister in Britain and other countries had to be a senior man of proved merit, capable of stepping into the shoes of the Prime Minister

Now in the new States this position of prominence enjoyed by the Finance Minister seems to be shifting to the Planning body The Planning body formulates policies that have to be virtually followed by other departments and also suggests to the Finance Department the way in which finances have to be disbursed Thus apparently there appears to be an encroachment into the hitherto private domains of the various Ministries The Planning Body may become another super Cabinet reducing the other Ministries into the position of just departmental agencies execu

1 In India the Constitution contemplates the creation of an independent statutory commission called the Finance Commission In working this body found it very difficult to be independent of the Planning Commission's jurisdiction The Third Finance Commission therefore recommended that either the power of the Commission should be enlarged or in the alternative transform the Planning Commission itself into a Finance Commission See *Third Finance Commission Report* 1961

ting the policies dictated by the Planning Body or, in the alternative the Planning Body may be reduced to fulfil an advisory role That is a euphemism for being defunct Obviously neither of these positions is desirable and a via media has to be devised wherein it would be a dynamic body, yet would not stifle the initiative of the departments

From all these points of view the original question viz 'which is the most strategic position from where it can operate, has to be examined Broadly two alternatives may be considered for locating the planning body

(a) Attaching it to the Finance Ministry

(b) Attaching it to the Prime Minister s office

(a) Attaching it to the Finance Ministry has the obvious advantage of eliminating the friction between the Finance Minister and the Planning Body As the budget is prepared in the Finance Ministry the various allocations for the plan can be directly made without much waste of time and unnecessary procedural wrangling In England too, when Sir Stafford Cripps became the Chancellor of the Exchequer the Planning Commission was made part of the Treasury So is the National Economic Development Council today

But there are certain disadvantages which outweigh the advantages in this measure In England, the functions of Planning agency were different from those of what are expected of its counterparts in the new States In the developed West European Countries budget is the main tool by which Planning operates Owing to the predominance of the private sector over the public sector, the Government through the controls and licences taxes loans and grants etc , is able to guide the economy on a planned scale For this type of Planning, budget being the instrument, Finance Ministry is the most strategic position for locating the Planning Commission

Since Planning in the new States has to deal comprehensively with every aspect of governmental activity including defence and police functions attaching the planning body to the Finance Ministry would relegate other departments to an unholy position of subservience to the Finance Ministry The traditional attitude of 'saving candle ends is ill suited for the planning venture which needs courage and farsightedness in spending

limitations Under such conditions the Finance Ministry which has already been functioning as a coordinator of the various Departments, now also continues the same function The difference is in the fundamental change in the political policy which has shifted its emphasis from police functions to those of welfare Welfare inevitably means proper distribution of financial resources according to an order or preferences among various pressing needs and to minimise what according to the political philosophy of the government constitutes an extravagance Thus the Treasury undertakes this function by preventing 'extravagance in one sphere in order to have more funds available for pressing needs elsewhere, so as to balance expenditure So understood, economy, now as in the past is the principle purpose of Treasury Control and is enforced by means of both the annual review of the estimates and the routine, day to day relations of supply divisions and departments

Thus confusion due to dual authority exercising control over financial allocations does not exist in countries where planning functions are a part of financial ministry This arises in states where the constitution of the Planning Commission more or less deprives the Finance Ministry of its coordinative functions The confusion is worse confounded because of the fact that Planning Commissions start purely as staff agencies, to advise the Chief Executive and gradually and imperceptibly take over the live functions of controlling and directing the various departments so as to harmonise their work with the planning policy One of the methods to minimise the resultant friction between the planning body and the Finance Ministry is to make the latter also a member of the former This measure at best minimises though does not eliminate the frictions Apart from those arising out of the personal factors institutionally too some measure of shift in emphasis is inevitable

Any measure with financial implications theoretically has to be referred to and accepted by the Finance Ministry What seems necessary from the developmental point of view to the Planning Commission may appear financially not feasible and economical to the Finance Ministry more so, when moneys are to be spent on capital account from which immediate returns

1 See Samuel H Beer *Treasury Control* Oxford 1956

cannot be expected Assets on this account cannot be productive of revenue directly and they have to be assessed from the indirect benefits they bring to the overall economic activity Any infrastructure like laying roads and railway lines or giving education on a wide basis yields results not perceptible in themselves but by the effects they produce on general socio economic development

Even in the determination of priorities, there are two different points of view—one of the long term nature as the Planning Commission would see it and another of short term as the Finance Ministry would see it The allocation of priorities by the Planning Commissions are made on the basis of the period of the plan, i.e. five years or seven years as the case may be The allocation of priorities by the Finance Ministries will be naturally viewed for a short range of one year which is the budget period It is not always possible for both the prorities to coincide even though the plan is also divided into annual periods Where there is a conflict between the two lists of priorities in the developmental context, that list prepared by the Planning Commission has to prevail On matters of broad policy the governmental action is bound by and has to be in consonance with the advice tendered by the Planning Commission Thus the Planning Commissions have a tendency to relegate the finance ministries to secondary positions

In a developmental context the requirements of the various Ministries will not be of a conventional nature but of a highly technical nature The financial requirements of ministries like those of scientific affairs or irrigation and hydro electric projects etc will be understood and appreciated only by those who have a high technical knowledge The Finance Ministries are not such technical bodies They are at best well versed in economic and fiscal matters but otherwise they take a layman s attitude in aught else This might mean that the Finance Ministry may 'cheese pare in scrutinising the demands of the Ministries for their schemes In such matters the Planning Commissions can scrutinise these schemes with their technical expertise They can appreciate the urgency of the new schemes and judge their order of priority

All these factors call for a new orientation in the make up of the traditional finance ministries They have to subserve their views

to fit into the plan requirements It calls for change in the psychological as well as in the insitutional framework of the finance ministries Proper understanding and cooperation may go a long way, though the limitation lies in the fact that these are ideal sentiments A new type of financial leadership committed to development rather than saving candle ends has to be vested with the responsibility of heading the finance ministry The Finance ministry still has a great deal of independent responsibility to perform and real power to wield It is the finance ministry that will keep a watchful eye on the progress of the schemes in the various departments Financial appropriations have to be made at every stage in all parliamentary democracies only after Finance Ministry s scrutiny In all these matters the Planning Commission will have no active role

Here the financial administration and its hand maid the accounting and audit procedures need a thorough reorientation

Sir James Grigg who was a member of the Viceroy s Executive Council in the British administration in India writing on the British Budget remarked that the treasury seems to have transmigrified itself in practice into straining at the gnat and swallowing the camel He further said that the same was the case even in India [1] To this day this statement of Sir James Grigg has not as in U K become a thing of the past in India The Finance Ministry which was acting as a coordinating ministry, now is felt to have been relegated to a secondary position, firstly, as a result of the institution of Planning Commission which has become the new coordinating agency and secondly, due to the adoption of deficit financing and abandonment of conventional saving candle ends policy [2] The difference between the planning body s location in India and the location of the planning body either in U K or France are to be noted to appreciate this difficulty in India In U K the National Economic Development Council (NEDDY) is located in the Finance Ministry and in France the *Commissariat General du Plan* which also had a chequered career like the predecessors of what has now become the 'NEDDY is located in the President's

1 See A Premchand *Control of Public Expenditure in India'* Allied Publishers Private Ltd Bombay 1963 for a detailed account of the relations between Finance Ministry in India and other ministries from the British rule to the present day

2 See Ashok Chanda *op cit* p 220

office and it always had maintained itself with a small staff Even there it had to encounter hostility and suspicion by the other ministries This made the *Commissariat* follow a policy of con ciliation and not one of authority and of coordination [1]

In England the position of the NEDDY is still not fully evolv ed The organisation is still inchoate It has only recently been improvised It is not yet sure of its own identity We do not know what it will have come to in five years time But *it seems* to have a job to do a place to fill [2]

The relationship between planning body and the Finance Ministry is one of the most crucial factors in the present day ad ministration While the planning body formulate projects and assigns tasks the Finance Minister apart from 'filling the reser voir and maintaining a certain depth of water in it, he must also be in a position to regulate the flow (Haldane Committee)

This attempt at maintenance of the flow by a minister who is a lay man as far as the technical exigencies of the various plan requirements are concerned has caused a great deal of irrita tions in the Indian administration and depending on the coope ration among these bodies or the relative power exercised by either of the incumbents into these agencies fates vacillated No institutional change can bring about a smoother relationship but a proper psychological understanding and cooperation and mu tual consultation Clearance of papers by parallel authorities which is what seems to happen has to be avoided if delay should be cut short The method of measuring progress in India is only by the money spent and that may be at complete variance with performance In a planning context perforance budgeting has to be introduced If not immediately atleast it should be the aim to be achieved by and by

Final friction is caused by the audit in India which again fol lows the old method devised by the British Government to suit the days of law and order This subjct had come in for a great deal of discussion and the net result of it all is that the audit system stays where it began Paul Appleby criticised the audit control

1 See John and Anne Marrie Hackett *Economic Planning in France'* George Allen and Unwin Ltd London pp 38 39 and also Pierre Masse *Guiding Ideas Behind French Planning'* P E P March 1961

2 Prof Henry Phelps Brown *Public Administration* Royal Institute Autumn 1963 p 246 Emphasis added

in India as being an inheritance from a colonial rule He assailed the auditing procedures in India saying that the Comptroller and Auditor General is today a primary cause of a wide spread and paralysing unwillingness to decide and to act what special competence for appraising objectives and appraising administrative performance in general has the Comptroller and Auditor General ? [1]

An unconvincing tract going into the legal and constitutional issues regarding the supremacy of the Audit is the answer one gets from a counter to this charge [2]

Even during the Sino Indian conflect the Indian Audit never showed signs of relenting The general suspicion that the people entertain regarding the activities of the spending departments has also perpetuated this rigid and meticulate auditing

Unless the national planning in its totality in the formulation, implementation and reappraisal can work by eliminating these institutional, psychological and administrative defects and strikes bolder and far sweeping paths the progress cannot be perceived and the nation will remain in a quandary The old methods in administration as well as in thinking have to yield place to newer ones even though at the initial stages there may be pitfalls and drawbacks On that account if one does not experiment and innovate but keeps playing for safety, he can as well forget about going forward What holds good for an individual holds equally good for a nation Administrative changes have to take a bold sweep while the plan targets may aim at a more realistic consolidation of the modest accomplishments

At the other extreme the planning commissions may expand assuming formidable dimensions becoming super cabinets There is also the danger of their suffering from the Parkinson Syndrome with huge staff and all other departmental sub divisions even like the government itself Then other incidental and concommitant factors like red tape and duplication of functions in both the ministries and the Planning Commissions would develop as the Prime minister of India warned He 'criticised the man-

1 See Paul H Appleby *Re-examination of India s Administrative System'* Government of India 1959

2 See Ashok Chanda *Aspects of Audit Control"* Asia Pub House 1959

ner in which the Planning Commission has grown into a 'huge organisation with all the departments of Government almost duplicated there and each one sending papers to the other I definitely thought it should not function as part of Government But now it is just like any other part of the Government in fact deliberately it duplicates every department of Government and has the hierarchy of Secretaries, Under Secretaries, Directors and what not (Reported speech, Times of India Oct [illegible] 1963) Subsequent modifications and qualifications of this statement do not mitigate the unpalatable truth in the original utterance

(*b*) Attaching it to the Prime Minister s Office gives planning an importance and facilitates a proper plan orientation of public policies The Prime Minister being directly at the head of the Planning body while lending it the status it needs, can cut across the departmental barriers without friction No Minister would then feel that he is being unduly dominated, as would be the case if the Finance Minister were to be in charge of it Co ordination at the policy making level itself is easily obtained Being a man of the highest authority, he can summon any records from any department and personally resolve conflicts and expedite matters

Though this picture appears very rosy, it is not completely devoid of its own thorns Is it advisable to load the Prime Minister s already over burdened shoulders with these additional responsibilities? Will not the Planning body by the very fact of its being accorded a dignified status, defeat its very purpose by dominating over the Ministries, dictating terms to them and thus become an object of dislike? This may be more so if the Prime Minister being busy otherwise gives the Planning Commission a free hand to carry out the Plan administration

To remedy these defects it may be a wise course to make one Minister *responsible for Planning* This would relieve the Prime Minister of some of the work and also make the Planning Minister devote whole time for the implementation of the plan He would be in a position to answer the usual questions and criticisms in the Legislature and to bring suggestions and advice to the notice of the Prime Minster He would also be in a position to coordinate the Planning activities with the functions of the various Ministries on the political level[1]

1 The Administrative Reforms Commission of India has opposed this view But that does not invalidate the argument adduced here

Construction of the Structural Model based on the above discussion

The most desirable conclusion seems to be to make the Prime Minister the head of Planning organisation with a Minister for Planning to assist him exclusively on matters concerning Plan implementation Since coordination with finances is very important, it would be unwise not to involve the Finance Minister directly in the Planning Organisation

It would have to be an expert body giving advice to the Political leadership so as to help the latter in formulating policies for the general upliftment of the community Planning, thus would not be an issue to be fought in the elections by the Political parties but a *joint venture of all the people irrespective of party affiliations* This point has already been discussed in the previous chapter and needs hardly be laboured here

To bring about a broad basis of agreement and to lessen the heat generated in the legislative debates, a Parliamentary Committee may be formed composed of representatives of all parties in the Legislature proportionate to their strength in the Legislature If a member of one of the opposition parties is appointed as Chairman of the Committee greater cooperation and understanding can be secured This would act as a liaison between the Legislature and the Planning Commission

The actual membership of the Planning Commission may be now examined Based on the arguments adduced hitherto the members of the Planning Commission may be of two categories (1) The essentially political members (2) Those who are essentially experts enjoying certain constitutional safeguards

These two classes are not mutually exclusive that is to say, some experts may be politically committed men or members of the party in power Conversely the political members may be experts in any particular discipline This distinction is drawn in order to exclude the members who enjoy a permanent tenure irrespective of the vicissitudes of political parties They form the core of the Planning Commission and enjoy a Quasi permanent position

(*a*) **The Political Members**

The Prime Minister as the most responsible political leader and as the only person who can lend a high status to the commis-

sion may be the ex officio Chairman of the Commission The Minister for Planning, as the person who will be chiefly responsible for the administration of the plan, and the Finance Minister have to be the other important members Inclusion of other members in the Commission would depend upon the peculiar features of each country

If there is a separate Ministary for Community development or Social Welfare, inclusion of the Minister may prove fruitful In addition to these, any other Minister who wields a great political influence or enjoys a reputation may also be included even though he may not hold any of the above mentoned portifolios

(*b*) 'Experts' and Technocrats

An outstanding feature of modern age is the development of technology and science in every field of human endeavour Tech nology is a term which broadly means an application of scientific methodology for achieving any desired end What the desired end has to be is decided by the value system and for purposes of understanding the function of technology, it must be assumed that the desired end is given Technology has been developed not only in regard to the scientific, economic and efficient use of machinery, whether semi automatic or automatic, but also in regard to the institutions in the social universe While in the field of machinery, technologists may exercise greater dominance, in the management of society and its various institutions the technologist enjoys but a less predominant position This has to be so because in a social science unlike the physical sciences the constants are few and the variables are many As a result it becomes very difficult even to a highly capable social techno logist to use his implements with precision and show results as defined He can give a broad indication

This is not to deny the important role played by the techno logist even in the sociological field On the contrary the character of discussions in any organisation whether it be a trade union or a cooperative or an industrial management to mention the very primary types has become more technical so to speak The discussions might slowly assume an air of incomprehensibility to the common man as a society advances more and more into the world of science and technology This is inevitable Hence the criticism that the more a government leans for support on these

technologists, it is becoming more and more a 'technocracy'—a very derisive term!

The incomprehensibility of the modern day budget speech to the general public is an example of the technocrat's supremacy Ignoring the technologist to avoid this development would lead us to the days of the rule of the thumb The modern economist statistician, sociologist and public administrator have all developed a terminology which has like the terminology of an aeronautical or an electrical engineer become highly specialised This makes them understand each other better It does not give them on that score a superiority

Ultimately these technocrats or bodies of technical experts must have their eyes turned towards the society They try to diagnose the ills and suggest remedies They advise the political decision makers as to what policy would lead to what result In this process they are not involved in the politics of the country as such Hence the final responsibility for the adoption of any policy has to rest on the political decision makers Their actions are being watched by their political rivals who are ready to denounce the ruling group and to take over power if possible

Viewed against this background the importance of the technical experts with different fields of specialisation, need hardly be emphasised In addition to technicians in different fields, there is also need for those who are experts in planning techniques themselves and who will form the common denominator to others

The Secretary of the Planning Commission[1]

Apart from these members of the Commission, there has to be some one who acts as a coordinating official between these members and is responsible for the overall administrative ability, though not necessary an expert in any other specialised branch of knowledge He has to be a man of dynamic personality,

1 In India the Deputy Chairman of the Planning Commission who is generally not the member of the Cabinet occupies a vital role Mr V T Krishnamachari the first Deputy Chairman and Mr Ashoka Mehta the third were not members of the Cabinet While the former was a civil Administrator of recognised ability the latter is a good economist and leader of a different party from the ruling Party though later on he too joined the party and also the Cabinet Prof D R Gadgil a trenchant critic of the Planning Commission has now become the Fourth Deputy Chairman His criticisms were examined earlier

able to lead the experts as a team He has to maintain a liaison between the Planning Commission and the Parliamentary committee on Planning Among other things his chief function will be

1 To prepare the draft of the plan on the basis of the experts reports and with their cooperation
2 To present the draft before the Planning Commisssion meetings and incorporate the approved suggestions or delete unapproved ones
3 To obtain information from the various administrative departments regarding plan formulation and execution
4 To submit periodical reports regarding the progress of the Plan
5 To gather data from the various auxiliary bodies, process them and classify them for the use of the experts of the Planning commission
6 To give as wide a publicity as possible to the Plan and solicit the enthusiastic participation of the people

To assist the Secretary a Secretariat composed of various sections dealing with different subjects is necessary to carry on the routine functions

To head this organisation should it be a man of pure administrative ability or a specialist ? This is a question which has not been satisfactorily and definitely answered The generalist versus specialist controversy has been raging for quite a long time without a definite answer The policy of least resistance is to plead incapacity to arrive at any definite conclusion A judicious combination of both the abilities is undoubtedly an ideal But since ideals are rarely found in actualities a capable administrator endowed with a breadth of vision a capacity to grasp the fundamentals of any problems and a courage to expedite matters would be about the best one can hope to have for the job No country will lack men of such qualities

ADVISORY COMMISSIONS

Should Planning be based on the concepts of 'Social Universe embracing the view points of all groups and sections of the community or should it be based on 'Micro sociology, that is based on the view point of policy makers administrators and a

few Scientists? On the answer to the above question depends the need for constituting the above organ

The second alternative rests on two presumptions—firstly, that the people at large are so ignorant that there is no need to consult them and secondly, that value of the planners have to be universally acceptable If Planning were to serve a particular sectional interest this may hold good Arbitrary and autocratic administrator may follow such arbitrary value judgments Such planning may also lead to a conflict of interests as it might serve one group or a few groups to the detriment of others Hence planning may defeat its own *raison d'etre* in as far as planning is used as an instrument of social policy In business organisations this may hold good, as they do not profess to uplift the society as a whole Business planning is different from social and economic planning in much the same way as planning a battle is different from planning a city It is only the paucity of words that constrains us to use the same word Planning when in different contexts we mean different things The bewildering and confusing variety of definitions are also due to this semantic poverty

If the concept of social universe is the basis, there should be popular bodies broadly representing the various interests of the community, giving expression to their needs their opinons and values No one can make any claim that there will be no conflict of interests in such an organisation But the idea is to minimise the conflicts and maximise the agreements as far as practicable These bodies may be called the Advisory Commissions

These Commissions should be represented by men of industry trade, agriculture, labour Science and Law etc University Professors and other intellectuals and Social workers have to be pressed into service[1]

1 In India the Planning Commission is assisted by various panels' They are—(1) Panel of Economists (2) Panel on Education (3) Panel on Health (4) Labour Panels (6) Panels on Land Reforms (7) Panel of Scientists

They meet and advise the Commission and help it in coordinating the task of development in the different fields The Panel of Economists occupies quite an important place and the absence of sociological panel is quite conspicuous There is a Marxist colour in the thinking that the magic wand to transform society is possessed by the Economists and that sociological cultural and other factors at bottom are shaped by and are dependent upon the economic conditions Social tensions and imbalances that result out of the very prog-

There may be periodic meetings of these bodies before during and after each plan period A periodic plenary session of these Commissions also may prove worthwhile The members of the Planning Commission have to be present during such meetings so that every one can appraise the cross sectional view point of the community as reflected in these sessions

A question may arise—whether in view of the fact that a Demo cratic Legislature already exists (when it exists), would not constituting these bodies be superfluous? Is it not like the no torious dilemma of Caliph Omar seeing the library in Alexan dria? If these bodies were to echo what the Parliament says, they are redundant and if they do not, they are *heretical*? In answer, the following points may be adduced Not all the mem bers in the legislatures are men who represent particular interests and can speak with specialised knowledge They may in general represent their respective constituencies on a horizontal level Secondly these bodies are only meant for assessing the needs the resources the bottlenecks and other problems that confront the plan They have no powers of rejecting any item like the Parlia ment nor have powers of legislation or censure

At this stage the very nature of the modern political process itself has to be properly understood With the phonomenal growth of technology and automation, the colour of the States has changed Legislatures used to enact laws which the executives had to carry out subjecting their actions to the control of the judiciaries Now the law making aspect has been eclipsed by the policy making functions The executives make policies and seek the ratifica tion of the legislatures The executive policies are a result of highly technical discussion which are generally beyond the com prehension of the legislatures or common men Policies are to be judged by future results and are not like the legislations based on past experience This is the dynamic situation in which modern Big governments or Administrative States operate in all countries, whether Western or non western communist or non communist

A SUMMING UP

Though the main aim set out in the beginning of this chapter

ressive' economic measures have to be reckoned if by progress we mean to avoid sacrifice of fundamental values if planners have to avoid the confusion of identifying their scale of values with those of their clients

was to build up the planning commission, the various ramifications had to be constructed side by side with it, as without them the Planning Commission would be incomplete The following bodies are directly *connected with the whole procedure*

1 *The policy makers—That part of the Ministry which* is involved in Planning *viz*, the Prime Minister as the head, the Finance Minister, the Minister for Planning and such other Minister or Ministers as may be found expedient in each country—the whole group of them constituting what we called the essentially political members of the Commission

2 The technical experts appointed on a permanent tenure independent of the Political changes constituting the core of the Commission

3 The Secretary and the Secretariat

4 The Parliamentary Committee for Planning composed of members of various parties in the Parliament represented in proportion to their strength

5 The Commissions composed of representatives of various groups trades and shades of opinion

6 The auxiliary bodies engaged in supplying relevant information and constant research and finally,

7 The Legislature itself whose aprpoval though a formality is essential in a democracy

These are broad and general lines and cannot be claimed to be rigid and immutable principles of universal application Each country has to construct its own model in relation to the conditions obtaining in it

8
THE PLAN

Undependable data and debatable values

The process of Planning cannot be split into separate and independent units but has to be comprehended as a totality of inter related and inter dependent functions involving the Plan ning authorities, the Planning Organization and the clients each of whose actions act and react upon the other necessitating cons tant reformulation of policies and re examination of values For the theoretical understanding the whole process may be examined from three angles

1 Drafting of the Plan

2 *Implementation*

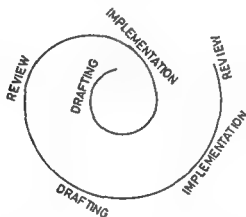
3 Review

1 Drafting of the Plan is a crystallisation of the policy—a resultant in concrete terms of the action and inter action of the political forces tempered by the inter play of the organisations supplying vital statistics and other basic information regarding the available and potential resources Value judgments are irresis tible and vary at this stage depending upon whether the policies are formulated *apriori* or on a scientific process of decision making The experience in various organisations interplay in drafting the plan and at the stage of processing of the data and at the review stage a feed back is provided for rethinking

2 Implementation is the practical administrative aspect of the plan wherein value judgments do not play a prominent role A Plan which cannot be implemented is at best Utopian and at worst a *useless mental exercise*

3 Reviewing of the Plan is in actuality an evaluation of pro gress of the change brought about by the Plan Since social sciences cannot predict the effects of certain actions with the same quantum of exactitude as the physical sciences and since we cannot isolate certain factors and examine the results of a parti cular cause in exclusion we are inevitably faced with forces beyond our control with which we have to reckon The phrase other

things being equal is an absurdity in practice None can therefore say in the field of human activity that cause *A* would lead to result *B* But we have to make a basic assumption that there are certain common denominators acceptable to Society in general It is precisely because of the above mentioned human limitation that our basic assumptions and our implementation of these assumptions have to be periodically tested and retested On the basis of these constant tests the original assumptions are liable to chance The main purpose of review is for a 'feed back'

Evidently the drafting of the plan has to take into consideration the practical applicability in implementation Again, further changes in the plans are subject to review Thus the whole process of Planning becomes a composite of these three elements The whole process may be represented in the form of a spiral

Constant review serves to minimise the results of unexpected and undesired factors at every step Though planning qua planning is neutral to values when policies are to be translated into action through the instrumentablity of plan then planning becomes involved in value judgments The values avowed by the Planning authorities may differ from those accepted by the beneficiaries

"The selection of any goals in the framework of economic planning as in any reasonable decision making is determined on the one hand by a scale of values avowed by the planning body

and on the other hand, by a decree of probability of achievement as estimated by the same body[1]

1 If the scale of values of the clients is entirely different from those of the Planning authorities the results of the Plan may thoroughly defeat the purpose of the plan itself Like the Connecticut Yankee of Mark Twain who tried his utmost to modernise the miserable subjects of King Arthur whose only object in life was to 'grovel before the King and Church and Noble man the planners may be reduced to small fraction of frustrated enthusiasts, if they try to go beyond the Society s capacity to rise

Therefore a plan should broadly embody the aspiration of the people in general within the realms of practical achievement It should not be a grandiose scheme setting forth lofty objectives beyond the reach of even highly developed nations

In the foregoing discussion, an organisational structure for assessing the aspirations of the nation and deciding the objectives to be achieved was sought to be constructed Planning has been viewed as a totality of process including drafting, implementation and review The plan itself has to be planned An unplanned plan is a contradiction in terms Therefore before 'The Plan is presented to the Legislature for approval a draft or skeletal model has to be prepared to serve as a basis for discussion by the various groups In it must be indicated the chosen objective or the ends and its sequestration from other ends and also reasons for such course There is a complex of ends that channel human behaviour and among the various alternative ends the choice made must be the most reasonable

In such a situation the goal for decision making should be increasing the degree of assurance (of decision makers and clients) that the choice made was at least a reasonable or more reasonable than any other alternative This goal is best attained by bringing to bear on every decision the greatest amount of relevant information concerning the ramifications of all alternatives '[2]

Apart from the general aims or objectives or ends of the Plan there are various other factors that have to be indicated in the plan

1 Vide S Ossowski Social conditions and consequences of Social Planning in *Transactions of the Fourth Work Congress of Sociology* Vol II 1959 8 200

2 Paul Davidoff and Thomas A Reiner A choice Theory of Planning' *Journal of the American Institute of Planners* Vol XXVIII May 1962 p 110

For purpose of clearer analysis all the facets of the plan may be examined

1 The title of the Plan
2 The objectives of the Paln
3 The Analysis of the existing situation
4 Discussion of the alternative courses of action
5 The course of action recommended
6 Suggestion for implementation
7 Various stages in the plan
8 The expected result

1 *The title of the Plan* Generally speaking socio economic plans are named on the basis of the duration that is visualised like ' Five Year Plan or Six Year Plan or after the name of the prime mover of the Plan like the Schuman Plan or the 'Marshal Plan etc There is difference in time dimension between these plans

2 *The objectives of the Plan* In indicating the objectives of the plan, the general tendency to be vague and platitudinous must be avoided To say for example that the objective of the plan is to bring about a welfare state by raising the standard of living etc, though may be noncontroversial and high sounding is unrealistic Hence concrete ends must be indicated They may be long range, extending beyond the time limit of one plan period To a great extent there may not be much difference of opinion among people at this stage

3 *Analysis of the existing situation* What the existing situation ■ has to be set forth with scientific objectivity supported by appropriate data It is on the basis of correct analysis that the operational part of the plan has to be built up What actually are we to study in the existing situation?

(a) Resources (b) Limitations

Resources may be mobilisable for immediate use or potential ones which can be made available after they are tapped Again, the resources may be natural resources, man power resources and technical resources To these may be added resources that are supplied by developed countries in the forms of foreign aid Though foreign aid has been put at the end of this list, it has to

be admitted that there can be no good planning for development in the new States without reckoning the Foreign Aid in all its various forms Though the ultimate object may be self sufficiency at least in the initial stage till the 'take off' is reached foreign aid cannot be dispensed with The date when this can be done does not seem to be any where in the foreseable future

Limitations again may be of different categories There are limitations inherent in a situation which cannot be overcome, and the limitation which can be overcome but only at the future date

The Limiting factor A proper understanding and evaluation of this limiting factor or more precisely these numerous limiting factors inherent in any complex situation pertaining to a nation or a locality or even a small organisation is a very important element in the whole process of devising the plan strategy If for example, to achieve the result X, there lie before the comprehension and within the area of possibilities alternatives *A B C D* and *E* If there were to be any possibility to quantify these alternatives choice may then be easy enough But it is not easy for one thing to quantify the value systems involved in the choice of any of these alternatives and for another calculate the impact of any unexpected element at the latter date upon the function of any selected path Even after a choice of any of these broad alternatives within its operation other alternatives develop among which again a choice by quantification has to be made If say alternative *D* is chosen then in the course of action other sub alternatives say d_1 d_2 d_3, d_4 etc which are present in the major alternative *D* have to be rationally selected Translating this theoretical process into actual working realities we meet with a maze of complex varieties and parameters and their relationships become numerous In the result there could always be criticism from some section of social scientists what ever path the planner may ultimately choose to tread upon

Chester Bernard's analysis of the strategic factors may be considered in this connexions He says

'If we take any system or a set of conditions or conglomeration of circumstances existing at a given time we recognize that it consists of elements or ... together make up the s... tem ... ctors which ... tions or

circumstances Now if we approach this system or set of circumstances with a view to accomplishment of a purpose (and only when we so approach it) the elements or parts become distinguished into two classes—those which if absent or changed would accomplish the desired purpose, provided the others remained unchanged, and of these others the of first are called limiting factors, the second complementary factors [1]

By paying greater attention to the solution of these strategic factors' Bernard thinks that we can eliminate great deal of difficulty in choosing an alternative But it becomes very puzzling firstly to discover which is actually the strategic factor in a situation of social import If a society is backward in ignorance the limiting factor and poverty the complementary factor or vice versa? Should we seek to eliminate ignorance as according to us it forms the strategic factor and leave poverty to automatically look after itself in the context of a more enlightened community? It may be argued the other way about that if we deal with poverty as a limiting factor, a prosperous nation will automatically eradicate ignorance

This is not to argue that the theory of limiting factor is to be rejected but only to spot light on the practical difficulties the planners have to face when they descend from the ethereal heights of theorising into the earthy lows of practicalities

4 *Discussion of the alternate courses of action* Various courses of action may suggest themselves to achieve the objectives chosen The aim is to work on the existing situation in such a way as to obtain the most optimal results The term priorities merits an elaboration in this context

The modern management science uses what is called Operations Research to enable the decision makers to form a more effective basis for their choice by attempting to quantify choices Here the construction of 'models plays an important role Since the variables and parameters are numerous in a social planning an integrated approach in which as many experts in as many fields as possible are included so that the plan will take in all the various facets, has to be adopted

[1] Chester Bernard *The Functions of the Executive* Holland University Press Mass 1938 pp 202-203

THE THEORY OF PRIORITIES

There are certain basic and irrefutable assumptions

(a) Any Nation s resources are limited not only in quantity but also in variety For example, a country may have limited iron resources but may not have coal at all

(b) Needs are many and growing especially in the new state

(c) Among the various needs some are more essential and urgent and others less so

(d) If the same resources have to be used both for urgent needs as well as less urgent ones the less urgent ones have to be sacrificed in preference to the more urgent ones Wise distribution of limited resources among carefully prepared order of preference among the various needs is more advantageous than frittering them away on non essentials

Points (a) (b) and (c) may not provoke any difference of opinion Point (d) as it is stated also is acceptable but the disputes will arise in classifying which are the more urgent needs and which are the less urgent ones It is here that decisions of policy have to be made inevitably leading policy makers to form value judgments It is a matter of emphasis on certain things considered more essential The order of priorities should be so rationally arranged that on periodic review if it is found advisable to change the order it could be done with ease If the resources are properly calculated and the needs properly estimated in the allocation of priorities differences of opinion can be narrowed down Only when unexpected natural calamities or National crises occur the order of priority has to be radically changed, to meet the unexpected or unanticipated challenge

After weighing all these consideratons the order of priorities has to be finally determined Once this is solved the next step becomes easy

5 *The course of action recommended*—After the various alternatives are discussed showing their merits and demerits final choices of the course of action has to be indicated For example whether the course to be followed in the in ... sector is to encourage the already ex ... indust ... fresh incentives for starting ne ... as ... by addu

cing arguments in favour of the steps recommended What proportions of the finances allotted towards industrial sector be utilised for incentives to new ones and in what manner should they be administered so that the old industries are not adversely affected thereby are all matters that have to be dealt with at length

All these factors in their turn will depend upon the general policy followed by the Government Whether the Government believes in balanced growth in the industrial sector are indeliberately creating imbalance is a matter of political decision

An astounding variety of wants and needs can be witnessed in the new States defying any order of priority one may arrange It is a job of such formidable nature that even the most brilliant brain would hesitate to suggest a clearcut course One of the foremost priorities would therefore be organisation to collect proper and reliable data as otherwise the whole problem of priorities may be completely upset Lack of proper data may lead to dissipation of the meagre resources in unprofitable undertakings The frustration resulting thereby need hardly be stressed Collection of data has to be continuous process Only after a prolonged investigation can certain latent features be detected For example to find out how much of hidden unemployment exists in the rural areas one would have to take a considerable time Creation of proper climate conducive to industrial growth, by way of providing the necessary infra structure and industrial logistics provision of social overheads and housing conditions so that industrial development may not bring in its train other evils witnessed in the 19th Century Europe improvement of agriculture by laying out irrigation schemes creation of broad educational background so that the need for industrialisation and adoption of modern scientific methods may be appreciated and provision of medical assistance and sanitation are some of the gigantic tasks that await satisfactory fulfilment

A start has to be made somewhere and the suggested course of action should envisage all these various aspects

6 *Implementation*—So far, the task had been one of theoretical import A course of action based upon the various factors has been recommended As was originally stated planning process includes formulation and implementation The tool for proper [illegible]

tion is the administrative machine Administrative machinery is as good or as bad as the personnel composing it, Unless there is a proper administrative machinery, planning venture may founder Planning calls for new tasks which in turn demand new and efficient tools Reorganisation of the various regions for administrative purposes where necessary and allotment of responsibilities at various tiers of administration have to be indicated

In the industrial sector, for example proposals for grant of incentives to new industries imposition of controls, location of suitable industrial plants and creation of proper infrastructure indicating the finances required and the disbursal of finances under various heads have to be shown by the Commission In the same way broad lines for implementation of the Plan Programmes in the agricultural the social and physical fields of operation have to be clearly drawn up

These aspects in their turn call for proper coordination at various levels among—

1 Economic and Social fields
2 Industrial and agricultural sectors
3 Ministries and the Planning Commission
4 Private and Public Sectors
5 Various other non governmental agencies concerned in the developmental programmes
6 Authorities of various regions or States or Districts

A detailed discussion of the various problems of coordination is made elsewhere

7 *Various stages in the Plan*—It is advantageous to break up the Plan into convenient stages so that there may be adequate scope for minor adjustments and feed back at an appropriate time before it becomes too late to rectify or too high a price had already been paid This division into various stages facili tates reappraisal This division need not necessarily be into equal intervals of time It may be based on the number of tasks to be completed within a particular period in time This also enables better coordination and balanced development

8 *The expected result*—The fundamental philosophy of planning is not based on 'economic man' that everything moves in a pre-ordained manner so that things will automatically adjust themselves but on the firm belief that things can be altered and ordered to meet the requirements of human beings. So the planners have to visualise clearly the change they would bring about by means of [illegible] on the social economic and physical matrix. This has to be distinguished from the objectives or ends which are sought to be achieved. Objectives are only the guiding stars but in practice all the objectives enlisted in the plan cannot be achieved. The planners themselves realise that all that they aim for cannot be accomplished. What is aimed broadly is different from what is expected to result and what was expected to result at the beginning of the plan, may turn out to be something entirely different from what has actually resulted. To the extent that the actual results coincide with what was expected, to that extent, the planners had been precise and realistic. But every time the gap between what is expected to result and what has resulted must be narrowed down so that the plan comes nearer and nearer to the objectives aimed at.

Again this is subject to unexpected happenings beyond the control of the State. Proper anticipation is the key note of efficient planning. The expected and desired results have to outweigh the undesired and unexpected consequences. By definition unexpected and undesired results are those against which the planners cannot do anything in advance.

Results of the plan must be reckoned from all angles. It is not enough to say that in the industrial field a particular amount of development would take place. The effect adverse or favourable of this change on social structure has to be anticipated and the measures to combat the adverse effects and canalise the favourable ones should be indicated. It is idle to pretend that by developing industries in a country or by increasing the per capita income, all the evils of under-development have been remedied. The changes that would be brought about in the social life [illegible] tend towards a betterment of existing conditions. [illegible] breaking up of old traditional institutions social tensions [illegible] bound to develop. Economic advancement in various under-developed parts of the World is liable to meet obstacles

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Securing the Approval of the Plan

Planning an attack in the battle field is different from plan ning an attack on Social and Economic under development The former has to be secret while the latter needs much publicity In fact it is only by making the plan widely published and by soliciting the opinion of various sections of the community that maximum participation can be enlisted As already stressed, when value judgments are involved in making a choice a high degree of consensus would minimise the conflicts

In a democratic state, the legal form where all conflicts seek their final resolution is the legislature The pressure groups and other interests have their play on the legislative process In an undemocratic order though there may not be a visible legisla tive process and for all intents and purposes the executive seems to reign supreme the very complexity of the modern state has made it impossible for any single man s writ to run throughout the country without being diluted and almost nullified as it percolates into the lower regions

The legislature, as was visualised by the earlier political thinkers like Locke occupied a supreme position in a democratic set up It made laws and the executive was only an implemen ing body Every action of the executive was to be based on an already formulated law But the complexities of the modern age have relegated the legislatures whether in a domocratic set up or any other type of dispensation to a position of mere rati fying bodies of the 'policies' (not laws) formulated in advance by the executive From a retrospective outlook of referring every action for legal justification, the modern states have plunged into a prospective outlook of putting forth policies and waiting for events to justify them in future The complications arising in the modern days due to the development of technology and

nature that can impede progress towards higher standard of living The increased pace of economic development is itself a significant enough factor to cause social tensions within a society unaccustomed to rapid change 1

In this regard the plan should indicate the measures that are suggested to mitigate such inevitable tensions and smoothen the process of change

CONCLUSION

Drafting of the plan marks a definite stage in the planning process in as much as there is coalescence and incornation of the ideas that have been troubling many peoples minds Doubtless it is that many suggestions made in the plan may be based on facts which are undependable due to the lack of proper data collecting organisations and techniques in the new States Hence there is a need for utmost scrutiny and a continuous research and investigation At every stage, the planners are beset with the difficulty of making value judgments the validity of which may not be always provable or dependable Here political pressure inevitably plays its part If one can numerically evaluate various alternatives that are possible at every step debates would not occur But human values unfortunately are not reducible to numerical terms Hence if the Plan is one that is broadly acceptable it will be comparatively easy for implementation A built in mechanism has to be devised so as to check the results periodically and rectify any defects in time

The use of the word 'strategy in the context of socio economic planning seems to be more figurative than actual though there is nothing wrong in being slightly catchy in phraseology Strategy presupposes the existence of an enemy whom the strategist so manages or so disposes the troops as to impose his conditions, his time and place for fighting Here one may argue that poverty and underdevelopment are the enemies against whom a strategy is being planned Apart from the military sound the comparison cannot hold good if we examine the various military scientists conditions for strategy Generally all militarists are agreed that the element of surprise is a major factor Secondly choosing the line of least resistance or taking such an action as would put the opponent in a dilemma etc, are all certain accepted rules

1 Administrative Organisation for Economic Development Conference Report Haldane House London W 1 1959 p 69

of strategy which become meaningless nonsense when applied to socio economic change even after we concede that poverty is an 'enemy' If one cannot resist the temptation of using the military word, there need be no serious objection but to stretch it too far would lead to absurdity Surprise is certainly not an element that would spell success in a socio economic plan There is no question of putting any body on the horns of a dilemma The enemy, if there is one, is within not without and there is no strategy for something that is within

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In a democratic state, the legal form where all conflicts seek their final resolution is the legislature The pressure groups and other interests have their play on the legislati e process In an undemocratic order though there may not be a visible legislative process, and for all intents and purposes the executive seems to reign supreme the very complexity of the modern state has made it impossible for any single man s writ to run throughout the country without being diluted and almost nullified as it percolates into the lower regions

The legislature, as was visualised by the earlier political thinkers like Locke, occupied a supreme position in a democratic set up It made laws and the executive was only an implementing body Every action of the executive was to be based on an already formulated law But the complexities of the modern age have relegated the legislatures whether in a domocratic set up or any other type of dispensation, to a position of mere ratifying bodies of the 'policies' (not laws) formulated in advance by the executive From a retrospective outlook of referring every action for legal justification, the modern states have plunged into a prospective outlook of putting forth policies and waiting for events to justify them in future The complications arising in the modern days due to the development of technology and

the increasing needs and expectations of the people have hig lighted the future oriented projections In this respect the di tinction (not the difference) between the democratic states an the non democatic ones seem to thin out Decision making and policy formulating are to be subjected to proper operational research and not to the time honoured method of lambasting the erring executives in the legislatures This is not to say that the legislatures have become virtually defunct They have to act as watch dogs of the governmental actions and hold up the goveri ment to answer before the public

But this projection to future has to be done by the executive and do this in such a way as to justify their actions by results So the decision making process cannot be arbitrary Any ra tional future projection presupposes a proper policy planning This process becomes therefore independent of the forms of go vernment

Though in theory we may classify the totalitarian dictator ship as highly centralised and the countries like the U S.A as highly individualistic in actuality the position of either is not in such absolute extremes There are centrifugal forces working in highly centralized states as there are collectivistic tendencies in the individualistic states Even in highly individualistic states the Governmental activities are increasing In every society which invariably is pluralistic there are various groups represent ing various interests It is to obtain a high consensus that the organisation of the various commissions was suggested irrespective of the fact whether a state is a centrali ed dictatorship or mo narchy or democracy

The political order in the New States are neither exactly similar to the highly developed Western democracies nor to the totalitarian dictatorships the character is undoubtedly like both of them pluralistic There may not be organised opposition and hence a consensus would be more beneficial At least a widening of the area of consensus and reducing that of conflict would be tactical

The Plan drafted by the Planning Commission however objective the planners may claim it to be will be vulnerable to attack on two scores—one that it has a party bias and two that it is a product of the Technocrats But to these charges one has to plead partially guilty To repeat once again, it cannot be

gainsaid that planning is politics and the age is technological The plan is a technical document produced by the various experts in different disciplines as a result of preliminary survey The terms of reference for such survey have to be made by Govern ment in power which gives it the party slant But this criticism can be mitigated to a great extent bv giving the plan as wide a publicity as possible among the general masses notwithstanding the fact that the people at large in the new States are either mostly ignorant or indifferent The process of planning is at once the process of politicalising the people as well as improving their lot

"In India as Planning is an essentially decocratic process, the draft plan is presented to the country so that comments from every side may be taken into consideration before the draft is submitted for the approval of the Government and the Parliament "[1]

Simultaneously the draft plan may be circulated among the various Commissions for their suggestions and criticisms The Planning Commission has to coordinate the various Commis sions This is a huge task if as in France 4000 persons were to take part in the preparation of the plan A plenary session of various Commissions at an appropriate time would also help obtaining an overall picture of the plan In such a session, the Planning Commission would be in a position to explain the various reasons administrative conveniences and financial considerations that prompted them to draft the plan as they did and reply to the suggestions by the Commissions Useful suggestions may be incorporated in the draft As pointed out earlier the suggestions of these Commissions are recommendatory and not mandatory

While the Plan is being discussed bv the Commissions which represent the various group interests the Secretariat of the Plan ning Commission may maintain a liaison between the Parlia mentary Committee on Planning and the Commissions, as the former would voice the opinions of the Parliament The various group interests as represented by the Commissions and the opinions of the political groups as voiced by the Parliamentary Committee have to be incorporated into the plan frame cons-

1 See G Traves General Report *Government Organisation for Economic Development* XII International Congress of Administrative Sciences Brussels 1962 p 33

tructed with the highest technical skill of the experts comprising the Planning Commission Thus the plan would be crystallised by the general consensus eliminating thereby the criticism that unmitigated technocracy and arbitrariness prevailed

In non Parliamentary Governments this final stage of bring ing it before the Legislature for a settlement of all conflicts of opinion does not find a place But whether a Government follows a Parliamentary system or a dictatorial system the plan would work more efficiently where the participation of the people is enlisted than where it is imposed from above without any refe rence to the wishes of the people

Since the plan and the budget are intimately linked with each other a few observations are note worthy in this context

The Plan and the Budgetary Problems

(1) Approval of the plan is interlinked with the approval of the budget Hence it is that the Finance Minister also is included in the Planning Commission The Planning function now devol ving on the Government result in certain readjustments of functions in the Finance Ministry Hitherto the Finance Minis tries had to coordinate the economic policy by receiving the demands from the other Ministries, devising ways and means of raising revenues and allotting the estimated income towards the departmental requirments Now the Finance Ministries have to adjust themselves with the Planning requirements It is the Planning Commission that would advise on the priorities and the estimated expenses for the various heads While the Planning Commission makes only demands and allocates revenues the Finance Ministry has to perform the onerous and thankless job of raising the moneys for the demands thus made Foreign assis tance and deficit financing in certain countries have further curtailed the authority of the Finance Ministry by effectively nullifying the argument for Balancing the Budget The Fi nance Ministries following the conventional method of 'Balancing the Budget' and thus could control the requ[illegible] policies and pet schem[illegible] of deficit financing is [illegible] ain M[illegible] of the Various ed off These devel[illegible] th[illegible] e principle nctions between the [illegible] me [illegible] l is snap inistries of depart[illegible] certain [illegible] ance[illegible]

operation between the Finance Ministry and the Planning body from the beginning itself

(2) Finance Ministry, all said and done is the only instrument that can supply the adequate financial resources for the plan, apart from any foreign aid that might be secured Even the foreign aid has to be administered by the Finance Ministry With regard to standing expenditures by the various departments, there will be no complication as they are more or less constant But the requirements of new projects in the plan will have to be matched with proper finances by the Finance Ministry It is here that maximum cooperation between the Planning Body and the Finance Ministry has to be secured The Finance Ministry has to prepare its annual budgets and unless reasonably precise estimates are available, the ministry may allot excessive amounts to projects that are not able to fulfil their targets, thus resulting in lapse of the amount or it may allot insufficient amounts to projects that are fast completing themselves and may have to wait till the next budget session for further grants This results in wasteful delay Both these extremes have to be avoided especially in a Parliamentary type of Government where the annul budgets have to be passed by Legislatures The additional requirements for further grants may be in urgent cases met by fresh taxation in the middle of the year or by drawing from the contingency funds The first method will be viewed with disfavour while the second method could be resorted to only sparingly, because, in the next budget session the need for drawing from the contingency fund has to be explained to the Parliament Constant resort to such methods may reflect on the efficiency of the Finance Ministry

(3) Budgets are annual But the plan projects are a continuing and long drawn out commitments whose requirements and result cannot be properly eatimated in a short period of one year Hence the conventional type of budget taking the expenditure and income of one year period into consideration, has to be abandoned and an overall picture of the full plan period has be visualised The budget has to be annual budget, but the expenditure and income estimates should be projected for the duration of the whole plan conveniently divided into annual period If the whole plan is approved by the Legislature, it follows that the expenses for the plan every year have to be

approved as well unless radical changes take place in the plan itself The advantage in havin the budget annually is that in addition to other things it provides a convenient means for a periodical assessment of the plan

(4) In the advanced countries planning is being done through the instrumentality of the budget Tax and wage policies controls and grant of loans and other incentives etc are so manipulated in the budget that indirectly the economy of the country is made to progress on a planned basis while social legis lation is undertaken by the government directly Obviously these indirect methods can not work effectively in the developing countries While in the advanced countries plan means more or less the budget in the new States a Plan is more than a budget

A Plan is not a budget—an exercise in the allocation of visible financial resources in accordance with priorities It is more than that It is an act of faith A Plan should offer to the nation a programme which would arouse enthusiasm and enlist public cooperation on the widest side This is particularly important in a country in which living standards are among the lowest in the world [1]

In the new States the budget session is followed by the people with great anxiety mixed with trepidation by all sections of the people While the richer sections can either evade taxation or wind up all activity till better climate would prevail it is the wage earning or salaried classes that are most affected Need less to say that since the poorer sections and the middle classes form the bulk of the population taxes fall heavily on them thus creating a feeling of hostility towards the plan

' During the Budget month people all over the country will be anxiously waiting to see whether and what additional burdens of taxation they will be called upon to bear Many sections of tax payers are protesting not without justification that taxation has reached the limit and they cannot bear heavier burdens This will not however be admitted by the Central or State Governments as it will force them into the difficult dilemma of either abandoning their schemes of planned development or meeting their additional expenditure through other means [2]

1 V T Krishnamachari *op cit* p 117
2 Santhanam *Op Cit* p 143

When the people do not see the tangible beneficial results in the plan, they resort to tax evasion thus necessitating the Govern ment to levy other additional taxes to make good the deficiency caused thereby to their estimated income In most of the under-developed countries the burden of taxation falls unequally on the weaker shoulders of the poorer sections As observed by the F A O Mission for Greece in 1947

"The tax structure is responsible in part at least, for the pre sent exceedingly unequal distribution of wealth and income in Greece for less than that in more highly industrialised countries In every part of the country the great majority of farmers are poverty stricken and destitute City factory workers or public employees, earning mostly not more than 5 000 to 10 000 drach mas a day, are not in a much better shape Yet it is on these two classes, farmers and low income city workers that present taxes fall most heavily for they make up over 95% of the population

Therefore, if investments in the public sector yield rapid re venues and a rise in the national income is registered, the burden will not be felt so unbearable Prestige plan like installing an atomic plant in a country where 90% of the people live under sub human condition without necessary social services like hospi tals, schools sanitary facilities and shelter not only drain the meagre financial potential but also in themselves are meaning less It is idle to pretend that the capacity of the people to go on tightening their belts is limitless

The Mahalanobis Panel Report on Indian planning does not give a rosy picture of what so far atleast has been achieved Even after ten years of planning despite heavy schemes of taxa tion on upper incomes there is still considerable measure of in equality and concentration in urban incomes Agricultural labour does not seem to have made any advance according to the report In a country of India s dimensions magnitude and heterogeneity a period of ten years and an investment of few billions of rupees is quite negligible But the crucial matter is—how far can the country hold the strain of additioal taxation to the tune of 6000 million rupees over the Third Plan and 7900 mil lion during the Fourth Plan and still swear by democracy ?

(5) The plans are essentially for socio economic development of the community But owing to whatever reasons, every country lives under a sense of insecurity thereby necessitating it

the Chinese confrontation has led to a certain amount of panic and septicism towards nonalignment as evidenced by the totally disproportionate arms aid and aircraft requirements indented by the Government of India in its military missions abroad Bill for highly sophisticated air power was placed before the United States notwithstanding the fact that the country has neither the technical knowledge and equipment required for manning it nor even the landing ground for such aircraft [1] The Industrial projects as well as the irrigation and power schemes are still in their periods of gestation to be able to be self supporting let alone yielding benefits to the country as a whole Agriculture which is the base in any developing nation, has not been able to stand on an even keel and hence demands greater attention and spending The country has become restive with mounting strikes and hartals as food has become scarce Whether strikes at this juncture are justifiable or not the indication is clear that the the country is on the throes of a great crisis Heavy defence commitment and sluggish agricultural development are the two major limiting factors All these factors contributed towards a halt in the plans and a serious re thinking whether planning should be continued or not

SUMMING UP

Whether a country follows a Parliamentary form of democracy or any other type of government, the fact of its realising the need for planned socio economic development is a welcome move Even the most highly centralised Government has to broaden the base of agreement over the plan objectives as otherwise the State cannot marshall all the human potential for the successful and fruitful implementation of the Plan In Parliamentary democracies, the plan has to be made generally acceptable to all the sections of political opinion Conciliation and cooperation are more essential among all the groups in the new States rather than conflict and opposition Existence of an opposition for its own sake is not necessary in a developing nation

While in highly developed countries budget is the main instrument of Planning, in the new States planning is more than just a budget But still the role of the budget cannot be under-

1 Jan C C Graham Indo-Soviet Mig Deal Asian Survey May 64 p 8

to maintain a defence organisation Defence expenditure is an expenditure down the drain However much one may indulge in platitudinous moralising on the virtues of peace, the theme of complete abandonment of armed force and diversion of the expenses to peaceful pursuits of social reconstruction is only a luxury of a possible future date Oliver Cromwell said though we may keep our fingers crossed, we have to keep the powder dry The boundary conflict between India and China has administered a terrible jolt to India s indifferent attitude to defence This is a case of unexpected and undesired factor necessitating a thorough re appraisal of the plan Arming a country to the teeth and talking of socio economic development is a paradox but as long as the present configuration of forces persist this situation seems inevitable Apart from the spill overs of the older plans new schemes in terms of new situations have to be contemplated in the light of experiences gained in the three plans and also in the light of the additional defence burden that the country has been compelled to bear for keeping China beyond the Himalayas and Pakistan at the cease fire line in Kashmir valley At the psychological front the death of Pandit Nehru whose charisma could overweigh any opposition and whose dominating role in the country could steam roller differences has put the country s thinking on a more retreating mood than on leaping forward It is undeniable that for both planning and Panchayati Raj he was the moving spirit and his dynamism was reflected in these movements

Hence the live Himalayan border and the absence of Mr Nehru are the two major factors that will influence the political thinking regarding the Fourth Plan The steep rise in prices the scarcities artificially created sometimes and real at other times the population explosion the unchecked inflation attributed to deficit financing and finally the growth of corruption and inefficiency in project sites as borne out by the many damages due to defects in construction are all factors that cannot be shied away in an attempt to somehow push through to the promised Elysium These and similar variables are unpredictable and plans get frustrated in implementation

The huge industrial projects and mighty schemes of irrigation have involved the national economy in a state of perpetual indebtedness to and dependence upon the advanced nations even as

estimated It is the means by which the resources can be discerned But the conventional type of budgeting may have to yield place to the new requirements of the plan The Planning Commission and the Finance Ministry therefore have to work in harmony The budget moreover serves as an effective tool for an annual check on the progress of the plan

A tinge of realism has to be introduced into the politics of the developing countries Though highly democratic and liberal ideas at first motivate the leaders, as time progresses, there is a watering down of all the ideals The defence needs of the country cannot be ignored though the country whose socio economic conditions are good is likely to defend itself better than the one whose economy is completely diverted to the maintenance of armed forces

Prestige schemes or '*show case* schemes are also a feature of the developing countries This is generally due to the increasing penetration of governmental activities into fields which in more advanced countries were managed by private enterprise As a result of such increasing participation by the government two immediate effects could be perceived

(1) Depletion and diversion of limited governmental resources, both administrative and financial The social development schemes are likely to be affected because of these factors

(2) To maintain and manage these schemes taxation measures have to be devised which are likely to fall heavily on people in general and on particular class of people who may consequently be driven out of their business activities

The increasing governmental activity is also due to the foreign assistance programmes which are carried out at the government-to-government level—that is between donor government and the recipient one Hence the latter ones have the moral obligation to account for the help they receive The more impressive the foreign aid project the more would be further assistance and the greater the satisfaction to the helping country Both countries could show to the world at large their respective roles in development programme This is not to say that this is a universal feature The trend is there and a rethinking on the part of both these classes of countries is necessary

With the greater technological advancement the developed

nations become more and more 'free' from dependence upon the less advanced ones for raw products In the result, instead of balance of trade there will be sheer dependence on help from advanced countries Synthetic rubber plastics and nylons for example have slowly eliminated rubber, cotton, jute and leather, etc and these countries which produced them have nothing in return to offer in exchange but gratitude and perhaps political influence itself

8

'DEVELOPMENT FROM BELOW AND DIRECTION FROM ABOVE'

The Grow More Food Enquiry Committee of India rightly points out that no plan can have any chance of success unless the millions of small farmers in the country accept its objectives share in its making, regard it as their own and are prepared to make the sacrifices necessary for implementing it In India there are nearly 71 millions involved in cultivation and these occupy 5 58,089 villages strewn all over, this sprawling geographical *expression*, *with varying degrees of fertility and facilities for irrigation* and producing different varieties of grains The villagers are accustomed to a bewildering variety of practices, customs and toboos etc —the only common taboo being the one against cow slaughter A country like Philippiness or Indonesia with its thousands of island or countries as in Latin America where there is no field administration to boast of excepting some administration for maintenance of law and order, and the different tribal structures present in Africa are all variations of the same rural theme

Unless these tiny clusters in the smallest villages together with the huge populations in the metropolitan conglomerations are moved towards a well defined goal meaningful in their own living context and understood in terms of their own values, languages and notions the plans drawn at the distant central capital are bound to lose their significance and will fade into nothingness

Any plan is as good or as bad as it in practice proves to be This plan in practice would depend again upon the administrators A central plan with a long chain of administration from the capital to the smallest village unit is likely to snap at various places—the policies may not be properly implemented in spirit and will give rise to what Appleby said elsewhere 'a reliance on excessive procedures of cross reference and as a result 'to an extraordinary evasion of individual responsibility and a system

whereby everybody is responsible for everything before anything is done"[1]

Added to this, if the state of poor communications which is common to all developing countries is recognised the need for certain amount of decentralisation becomes obvious Otherwise, the administrators at the extreme fringes will tend to be rigid and by the time they obtain the central permission to carry out a particular task which needs expeditious action enough harm would already have been done, rendering such action ineffective

Whether such decentralisation is to be democratic or 'non democratic depends naturally upon the political philosophy of the country Decentralisation by definition need not be democratic even as democracy by definition need not be decentralised It is a value judgment to say that centralisation is a threat to the human spirit everywhere and its control is a concern of all men who love freedom [2] But what would be more apt in terms of a scientific analysis from the experiences gained in all countries developing or advanced is that decentralisation is a necessary administrative expedient because as de Tocqueville so aptly put it, However enlightened and however skilful a central power may be it cannot of itself embrace all the details of the existence of a great nation

If this was true during the time of de Tocqueville it is not radically different today in spite of the revolutionary changes in transport and communications which reinforce the centripetal tendencies While centralising forces develop in certain directions as a result of these changes, decentralisation also becomes a necessity in yet different directions Instead of being dogmatic about either that or this wisdom and experience seem to suggest a judicious blending of both these forces with different

1 Appleby— *Re examination of India s Administrative System* Govt of India publication 1959 page 7

2 See David E Lilienthal *T I A Democracy on the March* Harper & Bros New York 1953 pp 144 49

Even in Czechoslovakia where administration like other communist countries is considered highly centralised in so far as planning is concerned The members of the Central Committee and of the Government among them Prime Minister Siroky had indicated that there should be genuine (Sic) decentralisation of planning

See Jan M Michal *Central Planning in Czechoslovakia* Stanford University Press California 1960 p 53

proportions in different countries according to the exigencies prevailing therein

As S M Gaus says

'As a nation reaches stability, the sectionalising influence would tend to mould society to their separate conditions in spite of all countervailing tendencies towards national uniformity '[1]

Regional differences give rise to regional needs which have to be administered not according to one uniform blanket procedure The regional differences that plague the French politics is too notorious to be elaborated Regionalists have for more than a century been clamouring for greater freedom Even very small countries like Belgium and Netherlands have their own different 'regions to reckon with The Central administrators are not likely to know where the regional shoe pinches If small countries have their regions and their special problems, large developing countries have them in a greater measure though the differences may not have proportionate articulation[2]

But how far can decentralisation be implemented in the administration of planning in the developing nations without causing detriment to national integration and unity is a matter that challenges the ingenuity of every scientist Sentimental attachment to decentralisation may result in administrative debility and structural paralysis Central direction central assistance in personnel and finances leading to central control may be necessary for the proper development of the smaller units The level of administrative competence, integrity, sympathy and understanding leadership that are available at the lower units is not likely to give satisfactory results unless proper central direction is available

A decentralisation in administration is likely to lead to a decentralisation of corruption and nepotism The relationship between the adminitrative officials and local leaderships will be more direct personal and hence the local feuds, tensions and prejudices will impinge on administration These evils can be cor

1 *Reflections on Public Administration* University of Alabama Press 1948 p 65

2 Selig Harison s *Dangerous Decades* gives an analysis of the sectionalist tendencies in India (Oxford University Press)

tected only by a proper direction from above It will take a long time and a great deal of political maturity for the local authorities to carry powers and responsibilities lightly

Experiment in India THE CASE OF PANCHAYATI RAJ PLANNING—Democratic Decentralisation

Dr Johnson said 'Patriotism is the last resort of a scoundrel' Here I take it that patriotism is coeval with politics and my doubt is with regard to the word last Not that all those who take to politics are scoundrels In the British Civil Services steps were taken to 'keep the rascals out and this has no application in regard to those who get elected In any human organisation rascals abound especially when the leadership in the organisation assures power and pelf If we take the Laswellean definition of politics as 'who gets what when, how the sentimental overtones which in India of Gandhian era were associated with politics viz , selfless sacrifice morality and the like may be dispensed with Machiavelli viewed politics as amoral

The Gandhian ideals of sacrifice and morality are voiced by the champions of the Sarvodaya School like Jayaprakash Narayan who argue for separation of Panchyayati Raj from party politics and also for assuring a constitutional status for these bodies so as to prevent the inroads of the State Government into their jurisdiction While these views in theory appear very attracive with their Rousseavean flavour (idvllic happiness of the noble savage) they suffer from the limitations that are inherent in humans The various utopias never became anything more than literary classics Politics therefore is the 'art of the possible By preventing political parties qua political parties from operating in the Panchayati Raj bodies one does not ensure a complete non political behaviour from the people Parties will work from underground Since Panchayat Raj bodies in many cases have become training grounds for gaining leadership at the higher levels as evidenced by the fact of there being quite a number of State Ministers coming from this sector it would be idle to pretend that the leadership in Panchayat Raj bodies would don the saffron clothes of a *sanyasi* and perform their duties without expecting any tangible returns If not party politics the 'Village Politics' cannot be eschewed Every village has its two houses—its Montagues and its Capulets and these warring houses will certainly enter the political vaccum if no political party fills it.

They enter even the political parties Apart from all that there can be no non political situation in any social institution whether political or religious(why should there be papal elections in the Vatican ?) Power, prestige, popularity, monetary gain and patronage have always been the motive forces behind people seeking to gain leadership Herman Finer once said that the moment there is a difference of opinion between you and your wife regarding the colour of the window curtain, that very situation has become political Therefore the point is not to keep politics away but canalise the political forces in a particular manner most conducive to carrying out the task of bringing about the desired social change Politics dramatises social change and this drama has its heroes and villains (perhaps more of the latter)

What is aimed at is to bring about a planned social change and the result of the realization that unless change takes place at the grass root level changes at the higher level will have no meaning, is the acceptance of decentralization as an administrative devise and it does not *ipso facto* include democracy There can be decentralization Democracy is a matter of definition and value judgement Decentralization is less so and is only an administrative instrument dictated by expediency or inevitability or reasons of efficiency or any combination thereof in the same manner as planning is also a matter of value judgement since what should be the goals, what should be the order of priorities and what strategy and tactics have to be adopted are all to be decided according to the resolution of the consensus and/or conflict of those who are making decisions and those who are influencing those who are making those decisions Whether we talk of planning at the higher levels or at the decentralized lower levels we are involved in value judgements and therefore in the conflicts of the decision makers at their respective levels This is politics and hence planning again is politics and does not become any the less political by virtue of its being viewed at the lower levels It may not deal with crores of rupees as at the higher levels It is only a difference in degree and not in kind But with the planning at the higher level the common man is less agitated while what happens at the lower level is the concern of every individual and hence political pressure becomes more intense and personal at this level To seek to sweep all this Political dirt under the carpet is to disillusion one s self Since planning at

any level is to be democratic planning and not a totalitarian planning the wishes of the majority are to be ascertained and the way to get this is by enabling them to elect their representatives So far the position seems clear Let us assume for a moment that the people are enabled to elect their real representatives without duress or coercion of any sort This is a very ambitious assumption and various empirical studies have pointed unmistakbly to the fact of undemocratic and undesirable forces undermining the very basis of democracy itself This we shall come to at a later stage

Administrative decision making which includes also decisions on the various aspects of planning has become very technical and generally beyond the understanding of the common man The understanding common man has no time to go into all the questions and the implications of any particular issue Thus owing to the complicated nature of the administrative and planning needs and because every individual does not have the adequate time to engage himself in knowing the pros and cons of an issue, the process of decision making has undergone a change Even national and state legislatures themselves are not adequately equipped with the know how to direct the affairs of Government and at best they wrangle over certain picayune questions At lower levels the position gets still worse and therefore, the sentimentally charged expressions like Peoples participation democratic decentralizaton etc should be accepted with caution At the operational and practical level these expressions lose their relevance One would be disappointed if he expects at every village people in their hundreds to turn out to give their voluntary effort towards completing any scheme in accordance with their collective decisions at these bodies These exist only in the photographs published by Yojana[1] or Kurukshetra[2] and not in reality A few exceptional villages at exceptional times are not adequate to warrant generalizations As more and more developmental activities are undertaken one needs more and more of technical manpower to give more per man hour than a host of unskilled but enthusiastic crowds All that would be adequate for purposes of democratic functioning will be a modicum of accountability by the executive agencies to the representative

1 The Journal of the Indian Planning Commission

2 The Journal of the Ministry of Community Development in India

bodies Appleby warned us against over emphasising the terms like 'peoples participations and against imagining peoples activities in the rural communities as some thing transcendental As India develops he said the need will be for greater skilled personnel[1]

It is generally expressed from rather layman s point of view that if politics and administration are separated that is if the politicians after laying down the policy let the administrators take over there would not be all these difficulties that are experienced to day This view is put in a nut shell by the Americans as politician bad guys administrators good guys This politics—administration dichotomy as it is labelled is an outworn credo When we say politics it should not be forgotten that there is politics even among the Good guys There is what is called the administrative real politik operating among the so called neutral officials and there is also the administrative tribal warfare among the various departments If the politicians qua politicians introduce the politics of the market place with all the loud noises the administrative politics operates in ways more devious and insidious and hence more difficult to check While the dirty linen of differences and conflicts among politicians are washed in public those of the administrators are washed in the privacy afforded by the files The rules of conduct and bureaucratic discipline smother any genuine difference of opinion and thus pent up grievances accumulate resulting in loss of efficient service to public Therefore to seek to eschew politics altogether is carrying pious wishes too far

This does not mean that the politicians should be interfering in the working of administration at every level and for every issue It is precisely this interference by political leaders not only of the state leadership but also of the block and sometimes even the village leadership that more often than not frustrates the proper implementation of plans which were accepted by the political leadership on broad principles[2] A direct line of communication is established as a result of the dependence of the state leadership or the support given to them by the local leader

1 See Paul H Appleby some thoughts on Decentralised Democracy *Indian Journal of Public Administration* Oct Dec 1962 P 449

2 See A H Hanson *Process of Planning*' Oxford University Press pp 280-91

ship The fact that the presidentship of the Samithi is more coveted than the membership of the legislature bears this out— A similar line of direct and informal communication is denied to the officials, thus resulting in the necessity for the latter to submit to the wishes of the political leadership This has also resulted in the paradoxical situation wherein the people seek the 'sircar for succour against their own elected leaders While it is impossible to stop the play of politics according to the general needs of the situation there should be zones where democracy should not be permitted to function for the sake of safe guarding the larger interests of democracy Just as for the preservation of individual liberty in broad terms it is necessary to sacrifice certain liberties as when we obey the traffic policeman on the road and exercise a check on our freedom to drive as we like so also for the preservation of democratic functioning at higher levels a certain restraint on democracy has to be exercised at the lower level There cannot be democracy at the top with chaos at the bottom even if it be in the name of decentralised democracy Appleby pointed out that even in democratic countries there have to be certain institutions which cannot and should not function in democratic manner In Indian Courts the Judges do not necessarily go by the verdict of the jury Democracy need not mean taking peoples vote on every issue and decentralization does not mean that every village and street should be involved in making decisions Territorially and functionally there has to be a limit below which counting of the hands becomes a mockery— more so in the context of modern technological advancement

Territorial delimitation should correspond with the unit chosen for planning because decision making should be confined to the elected body functioning at that unit If the unit for planning is to be the block the decision making regarding the plan should stop at the block and it need not be carried further down to the village If the unit is the district then it should be confined to the Zila Parishad[1] and need not be carried down to the block and village

It has been generally agreed by many that district forms a better and more suitable unit for planning The Ford Foundation experts specifically wanted the district to be the unit for

1 Local body at the District level in India

I A D P[1] Balwantray Mehta's arguments regarding the suitability of the block does not stand the muster Apart from any other argument regarding its viability and the availability of experts in all fields, the most pertinent one would be that as we go up, the vexatious meddling by upstartish politicians of the rural areas will be minimal The rural fetish which characterised the Indian Political thinking in regard to Panchayat or Co operative Society must give way to more feasible methods of rural upliftment

Generalist Vs Specialist

The domination of the generalist administrator over the specialist is another feature of democratic politics that forms an impediment in the functioning of the developmental planning The generalist administrator domination is a vestige of the British Government which thought that if one was good in liberal education he would prove efficient wherever he is placed This I C S tradition followed by that of I A S (which is I C S with an inferiority complex) is irrelevant and impedimental in the developmental context

The political leadership afforded by the democratic process the directions given from the state headquarters are of a general over all nature and a generalist Block Development Officer and a generalist district collector only add to the burden of redtape and a wrong allocation of priorities A lack of knowledge in any special field does not automatically make an officer a generalist which is precisely what is the case at present According to the nature of the places where an official has to function primarily, he should be well versed in the field of activity which forms the most important sector in that area If a Collector has to work in a district which is essentially agricultural he should have a modicum of specialisation in agriculture that would enable him to look at least not so stupid when agricultural problems are being discussed On technical matters of developmental planning the village leaders also will listen to the advice of a technically well eqipped official with greater respect than to that of a general administrator

Taking democracy to the absurd limits of extremity results in the frustration of democracy itself Instead of democratic in

1 Intensive Agricultural District Programmes

titutions doing away with the traditionalistic social impediments like caste and community affiliation or opinon leader affiliation they have brought them clearly to the surface like the subconscious brutal thoughts in a Freudian dream The very rowdy or the village tyrant who once held the villagers to a ransom in a blatant fashion is today doing the same thing reinforced in addition by the legal garb that success in elections has endowed him with and has extended his sway over the officials as well It is well known that no co operative loans or fertilizers etc go to any deserving farmer who is not in the camp of these legalised village tyrants There are some Hampdens undoubtedly but they are a few and politics is not determined by these good Samaritans Appeals to caste affiliations and day to day meddling in the working of the programmes can to a great extent be minimised if the unit of decision making and hence planning is taken up at a higher level than a block The leadership that would come up to the District level also would go through a great process of filtration and thus reduce the chances for village rowdy leadership to usurp crucial political positions

Though much may be claimed for Panchayati Raj a general observation of the happenings in the rural areas or a cursory talks with the common men in the villages does not confirm this bright impression one gets from the official records and ministerial exortations A general referendum among all the villages on the unequivocal question whether they want Panchayati Raj or not would surely give an interesting verdict Why not dare it ? That would establish the legitimacy of this institution

' Legitimacy involves the capacity of the system to engender and maintain the belief that the existing political institutions are the most appropriate ones for the society

If the political leadership at the State level intentionally and deliberately created this system of decentralized democracy only to fulfil certain political exigencies and also to strengthen their rural base to perpetuate their rule it would only over stretch the patience of the people But if it is a result of firm and honest conviction that this system is efficacious in bringing about development it should be subject to objective scrutiny as to its fulfilment

1 Seymour M Lipset *Political Man* Garden City Doubl day Anchor Books 1960 p 64

of these expectations The discussion whether Panchayati Raj Institutions are 'units of local Government' or 'Agencies of the state Governments is a barren academic exercise irrelevant to political realities and the State Governments have to make a periodic reassessment

It has been found in practice, that except in actual developmental work the rural leadership is interested in everything else The teachers are unhappy because of the arbitrary manner in which they are dealt with and hence the power of transfer has to be taken away from the hands of the non official leaderships The Panchayati Raj bodies are now shorn of the powers of giving loans The fertilizer distribution is being taken off their hands Thus it has been found expedient to take away one power after another from these bodies because of the abuses that corroded the system

A proper re appraisal of the working of these bodies has to be made though it is not very difficult to come to an inevitible conclusion on the basis of an observation in any part of the country that the dreams of those who visualized a village republic or even efficient self governing institutions are far from realization A doctrinnaire or an idealogical involvement in the concepts of Panchayati Raj and democratic decentralization should not blind one to the political actualities, when they are implemented and if the political actualities are contrary to what was visualized a proper assessment untainted by platitude or vested interests must be made in the interests of democracy and planned development

One of the most intractable problems in local planning is the one aimed at bringing coordination between area specialists and technical specialists While the functions and responsibilities of the former are horizontal those of the latter are vertical If an engineer in charge of a hydro electric project has to be instructed who should do it ? Should the vertically higher authority of the same subject do it or should the regional officer do it ? Up to what extent could the areas specialist direct the activities of the technical specialist ? All these questions would defy an answer The block administration in India is a case in point with the Block Development Officers as area specialists and the national extension services working as technical experts from various fields

Bringing change in outlook

In societies which are undergoing rapid change due to modernisation and introduction of technological devices there arises a need for greater integration and centralisation It is not a Hobson s choice between centralisation and decentralisation but a balance of the two By proper decentralised institutionalisation, the participation of the people in the process of change and education of the people for proper adoption to change should be effected The officials also would feel themselves more responsible for their actions and take greater interest in the tasks they perform To keep these forces under proper check and give them expert guidance higher direction must not be neglected

To bring this about a change is necessary on the psychological plane among the actors

(1) those who are acting as Prime movers of change, *viz* the local educated classes and leaders

(2) The catalysers who quicken and facilitate the change *viz* the civil servants planners and other technical experts,

(3) The beneficiaries of planned change *viz* the large number of people of the areas for whom change is being engineered

It is not enough if institutional changes and legal provisions are made A transformation in attitudes and behaviour patterns of the people is necessary

Psychological change or adaptation to the new needs has to take place both among the administrators as well as the people at large The people have to abandon the antiquated fatalistic outlook and take to the new way of life with hope and enthusiasm They should feel that the plan is for their development This spirit is not self generating in the developing countries where people still tend to be fatalistic It has to be roused and nursed by the unbroken efforts of the Government and other leaders Here the programme of community development plays an important role While the Government helps the people to develop themselves people of their own accord should learn to help themselves Hence from the point of view of kindling the people s enthusiasm and channelising it community development programmes have to go hand in hand with planning

The Psychological change among the administrators is more difficult to bring about as most of them feel themselves a different and superior caste in these countries The cultural and

of years We have been doing it this way for generations If he is too timid to say this he will just feel amused at the half baked knowledge of the educated man This attitude is gradually disappearing and the peasants are fast taking to tractors and Japanese methods of cultivation The change is bound to come among them more rapidly than among administrators

The same traditionalism persists in administration as well Keeping themselves aloof from the people and on a higher pedestal the administrative services followed the traditional patterns of a colonial and police administration Any new innovation would provoke a similar remark as that of the peasant

For coping up with the new tasks that devolve on a Government which undertakes to embark upon a plan, the old organisation of the Government has to undergo certain changes By undertaking the new functions the older and conventional functions of administration *viz* maintenance of law and order collection of state revenues dispensation of justice enforcemet of contract and defence of the country s borders do not diminish in any way In addition to efficiently maintaining these functions, new duties relating to socio economic progress have also to be fulfilled None of these can be sacrificed for the other

Every country develops its own administrative machinery according to its own peculiar conditions historical development and genius An entirely new type of administration cannot be super imposed on the older ones But the numerous functions and corresponding responsibilities at various levels and the complexities that arise due to the new tasks undertaken by the Government give rise to the need for a readjustment of the administrative organisation We don t intend any play on the words if we say that proper administrative planning goes hand in hand with socio economic planning

PROBLEMS OF COORDINATION

A study of planning is at once a study of coordination. A proper division of tasks, singleness of purpose among all the actors who participate in the performance of the tasks, a proper harmony and balance among all the organisations as a whole, fitting them all into a uniform national pattern, elimination of friction and overlapping, achievement of economy, efficiency and despatch and finally a built-in mechanism for a multi-way communication—are all the components of coordination.

While for a model organisation Gulick's two principles of coordination i.e., (a) Sub-division, work allotment and placement in a structure of authority and (b) dominance of an idea to promote a singleness of purpose among all the participants[1] may hold good, coordination which we speak of here is of a more complex nature.

For purposes of a scientific analysis firstly a categorisation is made in the complex maze of activities among which coordination has to be obtained. First the basis of categorisation and then the broad principles on which coordination may be secured are discussed. These categories are not mutually exclusive. They overlap and various permutations are possible. As an undercurrent in effecting the process of coordination the political factors will enter into play, sometimes dormantly and sometimes openly depending upon the importance groups attach to the substantial issues involved. Again every category mentioned here has its own inherent problem of vertical and horizontal coordination. It will therefore be appreciated how unrealistic it is to analyse the concept and probe into all its independent components. This is a definite limitation from which every macrocosmic representation cannot escape. With this prelude let us categorise.

1 Structural and functional coordination
2 Territorial coordination
3 Sectoral coordination
4 Substantial coordination

Structural and functional coordination In effecting this, the construction of the planning body, the other organisations that assist and advise the body the placement of the body in the political matrix of the country and their mutual relationships, the inter relationships among the hierarchies of all these organs have to be taken into consideration

Since organisational harmony cannot be obtained only by means of formal allocation of functions and division of function with a superior subordinate relationship, the play of informal organisation the behavioural attitudes the possibilities for creation of cooperation and elimination of frictions and irritations cannot be ignored

The actors who are involved actively in the drafting of the plan are the chief of the planning body, the ministers who are interested in the various aspects of the plan They constitute for purpose of distinction from others the political composition of the commission Apart from the ministers who are thus members of the planning commission other ministers in the cabinet and the ministry have to deal indirectly with the planning activities Hence at the highest political level coordination has to be secured among the various government departments under the ministry

In France the Inter ministerial Planning Committee was to coordinate their functions during drafting and implementation But due to the nature of planning philosophy in France which is indicative' and not an imperative' plan [1] the natural coordination of all activities *viz* the Ministry of Finance (and Economic Affairs) took over this function so completely that the Inter ministerial Planning Committee withered away as such The Finance Minister in France as in any other government generally is in fact more equal than others (*in fact secundus inter pares*) though legally he is one among them The English in their more pragmatic wisdom have made him the Second Lord of the Treasury Though originally the planning body in France was

1 As characterised by M Pierre Masse

located in the Ministry of Finance it has since been taken under the Prime Minister 1965) A physical transfer of the planning body does not sever the links which bind it to the finance ministry as experience seems to point out both in France and in India

In India, coordination among all the departments of the cabinet is obtained through the constitution of the cabinet secretariat Inspite of the big role played by the Finance Ministry, coordination is secured by the cabinet secretariat whose chief is also the secretary of the planning commission Thus he as it were bridges the political and the expert high power bodies As members of the Planning Commission both the political members who generally are the Prime minister functioning as the Chairman, Finance Minister and Defence Minister participate together with the non political experts among whom the deputy chairman may be counted As far as planning operations are concerned the Deputy Chairman in India is the kingpin'[1] The general frictions that develop between planning body and the finance ministry in countries where planning activity largely has to be by direct participation of the government has already been dealt with

Again in France the composition of the various Vertical Commissions gave the *Commissariat General* the ramifications from different specialist fields There are twenty one of them belonging to various fields encompassing social and economic development They extend from agriculture, housing, steel, trade and energy to sanitary and social equipment, radio and television, school, university and sports equipment and culture and arts[2]

1 The first deputy chairman Mr V T Krishnamachari was [illegible] expert with administrative experience The second deputy chairman Mr G L Nanda was a member of the cabinet Again with the [illegible] of Mr Ashoka Mehta the original position was reverted to [illegible] of the cabinet not even a memb r of the political party [illegible] he joined the cabinet and th Congress By the end of the [illegible] his failure was patent The Fourth Deputy Chairman [illegible] is an academician and economist of repute It [illegible] can maintain the purity of the plan without [illegible]

2 The Five horizontal commissions are (1) [illegible] Financial (2) Manpower (3) Productivity (4) [illegible] Research and (5) Regional plans more or less [illegible] commissions The most important one [illegible] and Financial Commission

This aspect can more or less be compared to the various panels set up in India to assist the planning commission The horizontal and vertical aspect is not there The sweep certainly is not so broad as in France nor are their voices so clearly heard From the list of panels one can easily discern that the accent is more on economic aspect than on social and cultural development This is one of the lacunae in the Indian Planning philosophy which while paying lip service to the social aspect does precious little about it

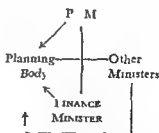
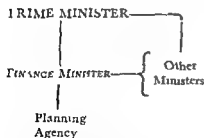
By alloting different varieties of work to the various commissions and by calling them together periodically a proper coordination is secured among all these bodies which advise the Planning Commission The general criticism that 'technocracy predominates in planning can be eliminated by a proper attention to the general social and cultural aspects of the people

Apart from these agencies and persons at the high level, there are the various departments working under the ministers carrying out the regular routine tasks of administration The administrative departments are the only ones where there are people working down the line upto the last civil servant in the headquarters and in the field organisations There are criss crosses of horizontal and vertical lines of authority among them Now together with the task of coordinating their routine work, there is need for orienting their tasks to the planning requirements

A continuous process of data collection survey and research has to be maintained Statistics regarding population man power, techno economic potential research on soil irrigation power, forestry and such other peculiar features of a country have to be translated into meaningful terms for the planning needs Thus new data may open up new vistas which hitherto had lain in the dark The various bodies of this nature which are functioning in the data collecting agencies must be properly coordinated so that they do not work on projects which have no relevance to the tasks being carried out Moreover coordination among these organisation is also necessary because the mass of data that is furnished by these agencies must be collected and synthesised For example statistics regarding mass exodus from villages must have some significance on the pressure of population in the cities or the general health conditions in such deserted places or the

adoption of modern methods of agriculture or change in the crop cultivated There could be so many factors which may not appear significant to an unwary observer

Methods for coordination again may differ according to the placement of the planning body in the political matrix of a country In countries where planning bodies are parts of the finance ministries, the task of plan coordination will follow the financial coordination among the various departmental schemes In such cases schemes may be sent in by the departments which are examined by the finance ministry and after the scrutiny and final agreement following the cabinet deliberations the plan will find its expression in the budget Attempts at loosing the grip of the finance ministry by constituting 'Economics Ministry to show how economic problems having their impact upon social problems are to be given greater importance, has resulted in the resignation of the latter in France (Mendes France had to resign when he differed with the Finance Minister, M Rene Pleven)

But in countries where the planning body is accorded a position that carries with it the reflected dignity of the Prime Minister or the President, the position might well be reversed as the criticism of Mr Asok Chanda against the Indian Planning Commission bears out [1] Unless the Finance Minister himself is an ardent believer in the final outcome of the plan and is one who acts as another wheel together with the Secretary of the Planning commission (or in the Indian terminology the Deputy Chairman) the chariot is not likely

to move properly Thus ultimately coordination has to depend on not just a procedural and institutional device, but on a psychological and temperamental basis and the finance minister who

1 Loc Cit.

The agglomerations in Southern England, the Conurbation Holland encompassing Amsterdam The Hague and Rotterdam in Netherlands the Paris region with over 8 million inhabitants, Calcutta and Bombay in India with their insoluble problems of transport housing water supply etc point to one direction *viz* that unless the state takes upon itself the task of planning the regions in order to secure a proper balance and reduce tension the overall development of the country will be jeopardised These areas became centre of modern development sucking people from all over the country to themselves while the other regions with their traditional activities like agriculture handicrafts and cottage industries have lagged behind [1]

Provision of incentives by the government for opening industries in the backward regions and prohibition of further expansion of areas already *brimming to full capacity with industries* [2] are some more tasks to be undertaken

3 *Sectoral Coordination*

Sectoral coordination may be of two varieties—

(*a*) Agricultural and Industrial,

(*b*) Public and private enterprises

There may be combinations of these as for instance, public sector in agriculture or private sector in Industry Generally

1 India which was considered a country of villages can no longer be called so The 1961 census showed migrations from villages to small towns and also from smaller towns to bigger cities totalling to 17 million At this rate it may be expected that by 1981 the populations in the cities might double themselves This naturally puts a great strain on the facilities provided in the cities which are even as they exist not much to speak of Unless a bold policy of revitalising the country side by proper regrouping and provision of water and power supply educational and other amenities *the prospect seems to* tend to an urban chaos Cancerous growth of the metropolis has been agitating the minds of planners in the West

2 Plan for creation or expansion of any industry in Paris regions has to be approved by the Ministry of Construction—after 1955 The rule applies to any new building where 50 people are employed The Reserve Bank of India also submitted a note to the Planning Commission on The Role of the Financial Institutions in Correcting Regional Imbalances It suggested measures like providing incentives and tax-exemptions These have been adopted in advanced countries without much success

agricultural sector is private except in totalitarian countries But irrigational facilities and tapping of the irrigational potential in the country, programmes for soil conservation, supply of good fertilisers better seed, elimination of pests technical assistance, provision of loans facilities for stocking and marketing agricultural production and such other amenities that conduce to better agricultural production will fall within the state sector No individual farmer in the developing nations will be in a position to provide himself with many of the above mentioned needs on an individual level

(a) Agricultural and industrial coordination

If we view agricultural production from the economic point of view, it is obvious that in most of the developing nations the holdings are not suitable for modern equipment These factors have already been discussed

What causes great concern is the social difficulties that agriculturists are called upon to face Exodus of people to industrial centres, slow growth in agricultural incomes as contrasted with industrial incomes non availability of agricultural labour during the season and hidden unemployment of the landless rural labour during off season are a few problems among a myriad

Many an agricultural project all over the world has failed because of lack of proper coordination and comprehensive planning Factory and farm are different from each other When projects are built unless there is a proper consultation and coordination among engineers economists sociologists etc they are bound to founder because of the failure to realise and appreciate the problem with all its implications, not the least being unpredictable weather conditions

With the state taking up huge multi purpose projects or reclamation and rehabilitation projects to people who are either displaced or to refugees agricultural projects assume an importance in the agricultural sector New lands will have to be brought under the plough as a result of the irrigation projects and unless living conditions near the projects are conducive to good living and are attractive people may refuse to live in the project areas That would lead to a frustration and wastage of national effort Without proper hygienic conditions provision of schools hospitals dwellings proper communications and efforts to re-

move prejudices and superstitions agricultural farms located near the state irrigation will not be workable Attention to these aspects has to be paid in minor irrigation projects Major irrigation projects usually have the capacity for production of electricity With electricity, the whole map of the countryside gets transformed The difficulty with the minor irrigations schemes is the great discrepancy that would be noticeable in the statistics regarding the area that has been irrigated and those regarding the area actually utilised This discrepancy is due to lack of other facilities for the farmers to live in the areas and carry on agricultural operations

Major projects call for huge expenditure, technical skill and proper equipment all of which many of the new states can ill afford Here the reliance on advanced countries becomes greater Only with the production of power can these states launch upon industrialisation Industrialisation is the key to economic advancement howsoever one may stress on agricultural development being the base This is a truism On the basis of this it is argued that agriculture should be given top priority in under developed countries over industry In a developing country coordination between the two is not amenable to a rigid formula The resources are meagre and are available not with a steadiness and abundance that would enable them to formulate priorities with precision The tactics need to be so manoeuverable that the available resources could be used to maximise rate of growth in both sectors

In the rural areas a tremendous potential for labour is being wasted and more will be wasted as agricultural operations are mounted on modern methods The people as has already been pointed out will migrate to the cities whether these cities have industries or not Pavement dwelling peddling odd things running errands boot polishing and finally involving themselves in crimes are the avocation in which these would involve themselves Without industries absorbing this labour force much of man power will be wasted Moreover with the increasing techniques in agriculture industry has to supply the growing needs of agriculturists in the form of fertilisers better conveyances better tools and implements So the growth of agricultural sector and the industrial sector has to be mutually complementary and not one at the expense of the other

(b) Coordination between public and private enterprise

This is confined only to the industrial sector. In agriculture there is no running at cross purposes if both private agriculturist and the state owned farms produce the same variety of crop. But in industry unless we contemplate a 'free' economy where the consumer becomes sovereign in a competitive market[1] there cannot be overlapping of activities which would mean frittering away of the resources.

What industries should be included in the public sector and what to be given to private sector, what quantum of industrialisation should be undertaken by the governments are all matters of high policy decision. Large investments, collaboration with foreign governments and foreign firms are factors that favour state enterprise.[1] The assumption is based on two basic beliefs. One is that there is not that indigenous entrepreneurship in the country that would invest on heavy industries and the other is that undue concentration of wealth and power in the hands of a few is not compatible with the principles of welfare states or socialistic states. Hence the general trend in many a developing country is to bring under the expanding public sector all heavy and basic industries like mining, banking, transport, insurance and what have you.

In India as there arose a great need for coordinating these public enterprises themselves, such of those as were employed in the same field of operation and in related fields were placed under common directors. They were placed under functionally related ministry for a similar reason.

A short list given below explains the placement in India of the various industries under allied ministries.

The list given here is illustrative and not exhaustive.[2]

1 It is being realised that instead of governm[illegible] also profitable for the developing nations if private[illegible] nations would come to trade agreements with [illegible] Economic and political pressure can induce priv[illegible] nomically productive projects. A government [illegible] projects.

2 For details see *India's Third Five Year Plan* [illegible]

Commerce Ministry

Heavy Electricals Ltd
Hindustan Machine Tools Ltd

National Newsprint and Paper Mills Ltd

Sindri Fertilisers and Chemicals Ltd

Hindustan Photo Films Manufacturing Company Ltd

Defence Ministry

Bharat Electronics Ltd

Hindustan Aircraft Ltd

Railways Ministry

Chittaranjan Locomotive Works

Integral Coach Factory

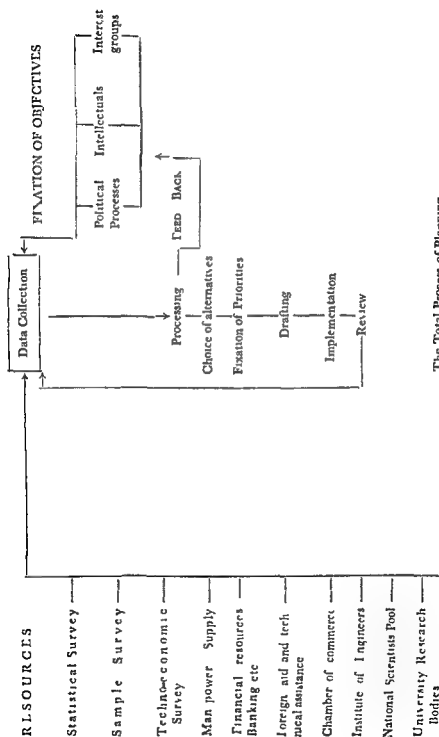
(Both these are departmental undertakings and hence differ from others in management accountability etc)

Ministry of Steel, Mines and Fuel

Hindustan Steel Ltd

National Coal Development Corporation Ltd

The departments of Atomic Energy Finance Transport and Communications and Works Housing and Supply, have various enterprises working under them The problems of management of these enterprises their efficiency and accountability are not within the scope of this discussion But what functions are they fulfilling in the country and how far are they filling in the wide gap that the existing private enterprise has not been able to fill (or should not be permitted to fill in case of a government s declared objective not to permit concentration of power in private ownerships) are the moot questions Public enterprises have definite objectives which they have to fulfil and these objectives are in pursuance of the policy decisions of the government The private enterprises have no such obligations and hence they may involve themselves in the production of goods and service according to their own lights

If for example transport services in a country are run by a particular private enterprise would it be economical for the government also to run a parallel service assuming that it does

The Total Process of Planning

not wish to nationalise the already existing service? Whether there is enough scope for both to function without one proving detrimental to the other whether it is not frittering away the energies in an unwanted direction are all questions that need investigation

Proliferation of state owned business and the resultant mis management and wastage brings about loss in two ways It destroys the scope of the private industry to expand while it has destroyed its own prospect Many a time grandiose planning is resorted to by countries, more to satisfy their national pride than to face the economic reality To use the common expression it is, like biting off more than one can chew

An attempt is made in India to bring about a proper coordi nation between both the sectors by certain institutional arrange ments The National Productivity Council and other Manage ment Associations give great attention, *inter alia,* to the infusion of a consciousness of responsibility among the private enterprises to the community as a whole It is also emphasised that both of *these should play a complementary role* *Hence they have to* secure proper economy save foreign exchange accelerate ex ports and improve quality of service

4 *Substantial Coordination* The heading is rather misleading in the sense that by implications it may be thought that the other aspects discussed above are not substantial The segmen tary view presented in the foregoing lines have to be focussed as an undivided whole In terms of practice there cannot be such analysis as was sought to be presented since all these factors are overlapping and inter changeable A lack of coordination of all the segments is likely to cause deleterious effects on the plan as a whole

That planning is only a means and not an end in itself has to be borne in mind by even the most dogmatic professionalist Hence creating a harmony between agriculture and industry or between private and public enterprises or between region and region or between one administrative unit and another are all the various tactical adjustments for the proper achievement of the end in view whatever that end may be This end has to be in terms of human well being or social returns Any venture that might yield a high economic return but a negative social return resulting in social injustice general discontent and

frustration, has emphasised the means and neglected the end, has clung to the shell and thrown away the substance

The difficulty here is the fact that while economic returns could be calculated, defined and quantified the concept of social returns eludes such grasp If the political forces are sufficiently mature as to gurantee a proper functioning of democracy the conflicting interests and groups find their resolution in the political process itself Many new nations do not have such possibilities for balancing and harmonising conflicts The result is felt in the upheavals and dictatorships At least the scale of values of the ruling class should conform to those of the substantial numbers in the community

In the developing nations importance is generally attached to technicians and scientists The term scientist has to be understood in the narrow sense excluding social scientists The technicians will enjoy a premium The precious apples of western technology which were once forbidden to the developing countries in their bondage are now the most eagerly wanted Education also has come to mean training in the use of technical equipment These are the things that would transform life and usher in the millennium The hydro electric projects, the steel plants atomic research centres and other furniture for capital development will receive an attention that would relegate other needs to the background Introduction of all these into the developing nations in a short space of time will certainly bring in changes in the cultural and social ethos of the people The technological innovations though are appreciated by the upper crust of the elite will not find complete favour as they penetrate the rock bottom of the traditional societies The societies in the new nations are not at their core scientifically minded They are still steeped in superstition and have their own mumbo jumbos Unless the society is scienticallly attuned, there cannot be a proper blending of technology and science Science and technology though allied to each other are not the same The understanding that the chaos in nature can be changed or controlled and manipulated is the essential part of the scientific spirit which in the traditional societies is generally absent

A true scientific spirit and a scientific revolution will completely shatter the beliefs the values and the very nature of the society itself This is a very delicate experiment that the developing

nations have to conduct This can be done only if there is a proper understanding of the social forces at work, the psychological factors and the traditional *mores* of the people A proper coordination therefore is essential between the social sciences which alone give us an understanding of these factors and the physical sciences Only then will technology be meaningful

The introduction of technology to industry has made industry 'modern and economically superior to the traditional handicrafts But any new innovations in the traditional societies are likely to be viewed with suspicion and thus not without justification Any new technique which is supposed to improve the conditions of the peasantry or the poor generally is seen to bring greater advantage to the upper classes As industry and agriculture are modernised and the incomes of the people increase the expenditure also rises far beyond the income rise The heavy rent high prices and burdensome taxes follow in the train of modernisation This would automatically cause the people to relapse into their shells of apathy and pauperism If the standard of living tends to remain the same after undergoing all the trials and sacrifices involved in adopting new techniques the people will find no reason why existing state of affairs should change

The element of pride which a draftsman enjoys in doing his work will be replaced in a technological set up by the boredom of doing a monotonous piece of work The opportunity for self expression and release of tensions will be absent, thus bringing about its own psychological problems in societies which do not provide otherwise for proper holidaying and adequate recreations and other such outlets

11

METHODS OF CONTROL

A socio economic plan must have three dimensions—objectives time limit and a financial ceiling All these three aren t separate Without the three sides there could be no triangle and no side could in itself be called a side of the triangle It is just a line not a side That is to say a set of objectives have to be fulfilled within a specified time and the amount spent from the public exchequer should not normally exceed the limit previously allotted for it The financial dimension has great relevance to the tax payer since he has to bear the brunt whenever extra moneys are demanded The extra aid offered by the rich nations may palliate during such crisis If in every plan period the state does not fulfil the targets keep to time schedule and financial allocations the situation may be certainly termed a crisis bringing in its train certain political repurcussions The effect of such political repercussions depends upon the elasticity of tolerance in the community

A community which is advanced politically and has developed institutions of democracy exhibits minimum tolerance It is very inelastic in the sense that the slightest unfavourable deviation will cause a restive situation On the contrary a less developed and/or a tyrannically governed community will show a very highly elastic tolerance Abject, uncomplaining and silent suffering and compliance are the conditions for the tremendous 'successes that are generally attributed to plans launched by such regimes Bottlenecks in implementation are cleared by a ruthlessness which manifests itself in purges and liquidations or other punitive actions against infractions

But in countries where rule of law prevails, control has to be exercised by more sophisticated methods and the proof of good control lies in executing the plan within the three dimensions Control is the guiding factor in any organisation that enables it to proceed towards the predetermined goal The tools for effective control are the means of communication proper standards of performance audit and criticisms and reports by non official agencies

Again, reporting is a two way process—from the top to the operational levels and from operational levels to the top. The need for decentralisation and delegation is obvious. The impracticability of an overall central control necessitates decentralisation even for reporting purposes. After the plan has been formulated and approved by the legislature, the various schemes that comprise the plan have to be brought under the concerning ministries. Thus at operational levels the ministry becomes the highest unit in the line for each particular scheme and a constant flow of reports up and down each ministry will be maintained. A division between reports that pertain to the plan operation and those that pertain to the routine matters of the ministry may be impractical. But the reports that have to reach the ministry have to be properly processed and sifted. Most of the details and unimportant matters may be dealt with at the lower levels. Collection of all reports regarding the progress of the projects has to be done by the planning body for submission to the legislature.

Security by cells of planning

Should the planning commission base its evaluation of the progress on the reports gathered from the various ministries or should it have its own channel of communication so that it could make its own independent assessment? Official reports are bound to be less technical and hence may not give a correct picture of the plan progress. Secondly, official reports will lack the independence of judgement and are likely to be more to please the superior officers than to give a real picture. Constituting planning cell in each department to gather information and to submit a report to the Planning Commission has also been suggested. Hence the Planning Commission must have its own agencies to study the progress of the various schemes and projects. These agencies have to be composed of men who are specialists in their fields. Unless there is a proper institutionalised process by which constant flow of information and control are not maintained there may occur losses which might have been avoided, bottlenecks which could have been cleared in time.

Scrutiny by committee on Planning

Huge amount are to be spent on various projects and at the

various workspots as well as at the headquarters There arises need for proper accounting measures and scrutiny Scrutiny includes inviting tenders, examination of contracts, check against corruption or fraudulent preferences and various other problems that arise as a result of huge public expenditure programmes

It is very likely that while the targets of expenditure are fulfilled, the objectives may lag behind This is an unavoidable factor in a country with a free economy where prices of materials and cost of service may fluctuate The amount of expenditure estimated at the beginning of the plan may not remain at the same level with the progress of time [1]

In addition to these official bodies, the legislatures may constitute 'plan committees to assess the work done and the tasks ahead Generally there are the Estimates Committees and the Public Accounts Committees which are concerned with the finances It is not the object here to go into a detailed discussion of these committees Since developmental planning involves finances, generally, these two committees act as the two eyes of the legislature Already governments are overrun by too many committees As Mr Churchill exclaimed we are overrun by them, like the Australians were by the rabbits Committees also like rabbits multiply very fast Specialisation necessitates a restriction on the participating membership of any legislature

A committee on planning is necessitated by the fact that all the members in the legislature are not fully acquainted with the technicalities of Planning and the other two committees the Estimates Committee and the Public Accounts Committee are

1 In India the Finance Minister and the Deputy Chairman of the Planning Commission together worked out a proposal in 1956 by which teams of officials and non-officials could submit their reports to a high power body called the Committee on Plan Projects The various projects are (1) Irrigation and power (2) Public Works and Buildings (3) Agriculture and Community Development (4) Transport and Communication (5) Public Industrial and Mineral Enterprises (6) Social Services

Their functions are to organise investigations to evolve suitable forms of organisation methods and techniques for achieving economy to promote efficiency audit to see that the suggestions made by the C O P P are implemented and do such other acts as are devised to promote economy and efficiency

not competent enough to judge the work on planning as such There is need for committee on public enterprises even as there is need for one on planning

Scrutiny by Finance Ministry

It has already been contended that the various ministries become the highest points in the operational lines of the concerned projects Hence estimates for their respective proposals have to come from the ministries to the finance ministry As the Finance Ministry is also a member of the Planning Commission, at the stage of approval of various schemes preliminary sanction of moneys is not very difficult But its role at the stage of implementation when final sanctions have to be made becomes controversial

The so called spending ministries formulate their proposals for the period which runs concurrently with plan period and also with their own term of office The budget estimates are made only for a year Unless the long term budget which envisages the plan expenditures can be conveniently divided into annual budgets for presentation by the finance minister, discrepancies will arise between the long term requirements of the plan and the annual budgetary provisions If the budget could be divided into Revenue budget and Capital budget so that the former deals only with the non developmental and recurring expenses and the latter deals with the plan expenditure much of the confusion may be eliminated This is not a rigid water tight division, because shifts from revenue budget amounts to capital budgets are made A division of this nature would eliminate a great deal of friction between the Finance Ministry and the spending ministries

The layman s approach to problems lack of technical understanding of certain projects and the general tendency of the Treasury to throw the departments on the defensive, tendency to be wise with pennies refusal to take risk etc are some of the irritants caused by the finance ministries in countries where there is a separate planning body In his criticism of the Indian Finance Ministry s control as being too specific too slow and too detailed, Appleby says,

' The first concern of the Finance Minister is frugality The enthusiasm of those charged with special functions is of high

value To dampen them unduly is wasteful not to discipline them is to open wide the door to extravagence and imbalance True economy consequently results from the interaction of the drives of enthusiasm with the restraining disciplines of review '

Once it is realised that the control exercised by the Finance Ministry is not for the purpose of 'dampening the enthusiasm, then the purposeful control will be—

(1) For seeing that money does not lie waste in any ministry without being used for schemes, which means that another ministry has been deprived of using that amount

(2) To examine whether the amount of work that is being completed is commensurate with the amount spent on it,

(3) That there is no radical change in the plan that would need extra money and if a radical change is indicated adequate preparation could be made in time

(4) To ensure proper and even supply of finance and

(5) There has not been any undue wastage or misdirection of money The Finance Minister acts here as the disinterested custodian of public moneys

'It is the risk of public loss where the amount involved is considerable that calls for the intervention of the Treasury, for it is important that under such circumstances the responsibility should be assured by an outside impartial tribunal [1]

Scrutiny through Audit

It is again to assure that huge amounts that are being spent are not frittered away or mis spent that control is exercised by the Audit In the context of planning we are not concerned only with the conventional audit of financial accounts made by the officer named the Comptroller and Auditor General There are appropriations audit, the administrative audit, accountancy audit and the test audit, and every country has its own special audit code These types of audit are irrespective of the fact whether or not there is planning in the sense in which we are dealing at present

While appropriations audit or accountancy audit or administrative audit are more or less procedural discretionary audit as

1 See A J V Durell *The Principles and Practice of the System of Control over Parliamentary Grants* Gieves Publishing House London 1917

the name suggests, raises a formidable hornet's nest Here the auditor is empowered to question the very propriety of a particular spending and to report to the legislature on what he considers to be a wastage As the auditor is not a political man but is usually statutorily appointed he is not to go into the political propriety of any spending and it is quite a jugglery for him not to question the political nature of any expenditure but to confine his criticism to the purely economical nature of any expenditure

Since auditors are not specially qualified to evaluate various programmes, nor possess any standard criteria by which the efficiency of the schemes are being implemented can be guaged especially as most of them are of a highly technical nature, care should be taken not to invest the auditor with powers dispro portionate to his capacities which will not be conducive to proper expedition of programmes

In the context of an irresponsible government or an executive which does not enjoy a reputation for honesty an undue emphasis is likely to be placed on the part played by the auditor, so that he would not only be a watch dog but also a bloodhound loyally carrying out the behests of the legislatures and sniffing whenever he smells a rat Otherwise when departments do not exercise proper care to put it in Sir Herbert Brittain s words, the auditor is to pillory the departments in public for wrong acts so that other departments would behave themselves [1]

In countries where planning involves huge spending on pro grammes whose efficacy is a matter of technical competence and whose choice a policy matter the legislatures themselves are more or less ratifying bodies of the Executive decisions Law making legislative predominance has yielded place to policy making executive leadership So Audit s main function is management function to measure and analyse government programmes and their efficiency

The various management functions mentioned by Burkhead may be summarised here

(1) To give a full disclosure of financial results and afford measurement of revenue, cost of activities and programmes

1 See Herbert Brittain *British Budgetary System* George Allen and Unwin Ltd London 1959 p 261

(2) To provide information to all levels of management for planning and direction

(3) To provide effective procedure for internal audit, and,

(4) to afford information for economic analysis for both legislature and the executive [1]

Thus the audit is not just barring the stable door after the horses have left [2] but has to be more a managerial tool playing a positive role and not that of an inquisition, with a 'holier than thou attitude [3]

The report of the Auditor to the Legislature does not concern us here more than what the requirements of the final accountability of the executive to the legislature demand But the role of the internal audit as a tool of control demands greater attention from the management point of view Not the financial audit but the operational audit is the thing which requires greater emphasis

It is agreed that, "we live in an age in which some previously clear cut distinctions have broken down or have disappeared For example when I took a course in Chemistry, there was a definite division between organic and inorganic chemistry Similarly matter and energy were considered to be separate until atomic scientists changed that idea

'In the same way financial and operational auditing are not—and should not be—separate and distinct types of auditing yet there are certain differences that must be taken into account in the auditor s approach and his work in various departments' [4]

The internal audit as a tool of control has to post the administration with impartial reports and show by the application of the accepted standards of performance how what has actually taken

1 See Jessie Burkhead *Government Budgeting* ' John Wiley and Sons New York 1958 pp 258 and 359

2 Sir H Brittain *op cit*

3 For an animated controversy over the functions and role of audit in India see Paul H Appleby s '*Re-examination of India s Administrative System* Government of India 1959 and Asok Chanda *Aspects of Audit Control*' Asia Publishing House Bombay 1959

4 See Bradford Cadmus Operational Auditing from *The Internal Auditor* XVII, 1960 p 28

place differs from what was expected to take place Maintenance of such records of performance give at the end of every stage in the plan period the position of the work accomplished the cost analysis and methods for improvement Audit reports before being submitted should be checked on actual matters with the departments concerned, so as to eliminate controversy in facts and leave the opinions to be contested

Non official agencies

By 'non official agencies' is meant all the organisations representing various trades and professions which are independent of governmental control and interference [1] Illustratively, mention may be made of the university research bodies Trade Union of a responsible nature agriculturists guilds and cooperatives, Associations of engineers, industrialists etc Should these bodies also undertake to evaluate on their own the various projects and submit their criticisms and recommendations? The arguments in favour are

(1) That the governmental agencies will not be in a position to give an objective estimate as they are themselves involved in the execution of the projects

(2) The government reports tend more to satisfy the government in power than to give a frank and critical estimate

(3) It bring the citizens nearer the plan by enabling them to exercise a measure of control

It is relevant to mention the French example in so far as the active involvement of non governmental agencies are concerned It is a basic belief a matter of 'fundamental democratic philosophy' that citizens organised into various associations and groups in accordance with their professional and other interests should participate in drafting executing and even controlling the plan The Colloquium organised in Paris in June 1962 composed of the trade unionists university men and political parties expressed the same theme

Planning can be considered to be democratic when the following series of conditions have been fulfilled

[1] These agencies however independent or autonomous they may be on paper it is rather difficult to find one which is independent in fact They are of course not to be compared to the government agencies

"The active participation of the citizens, by their representatives, in the drafting, *execution and control* of the plan This means not only that there must be broad agreement between citizens as to the ends of each plan, but a general consensus on the finality of economic activity Without that agreement and participation, it is difficult to see how the needed discipline of the Plan can be imposed (*Italics mine*)

There is also the other side of the picture

(1) The non official agencies are not likely to get the relevant information on which their report can be properly based Administrative agencies will not keep the papers at their disposal They would resent the interference of the non official agencies in the proper execution of their work

(2) *The various agencies are not likely to take an overall view* and weigh all the factors that impinge on a project execution They are likely to view through the prisms of their own special interest

(3) They are also not likely to appreciate the administrative difficulties

(4) If there are too many agencies and organisations tendering their advice and opinions, it becomes very difficult to satisfy all of them

Mention of these disadvantages is not to say that non official agencies should not have any hand in the 'control of plan execution Democratic methods of control should not lead to excessive criticism which in these circumstances will be lopsided

Democratic methods of control and solicitation of the citizen s participation in the planning activities are ends good in themselves but in the process of achievement of this purpose the planners should not lose sight of the fact that they should not drift towards whichever direction the wind blows

Some of the strategic factors in control are, once again, lack of proper delegation bad departmentalisation and lack of proper cooperation among departments at the lower levels leading to disputes and rivalries These defects lead to too much of paper work and too little of substantial work

1 Report of Commission 2 to the Colloquium on Democratic Planning, Paris 1942

Delegation should mean real delegation in the sense that the lower levels have to take up responsibility for the functions devolving on them and not refer every detail to the top management Top management in its turn has to rap those who are not exercising their powers delegated to them on their knuckles

Within the totalitarian set up China and Russia offer two different examples of control the former with decentralised form and the latter with a centralised form This apparently seems to go against the general belief (at least in the economic universe) that the greater the underdevelopment the greater ought to be the centralised control and the greater the development, by the very complexities which follow in its train it becomes practically impossible to maintain a highly centralised control But in point of fact Russia with a high degree of development, has been resisting attempts at greater decentralisation[1] while China has positively tried to exercise decentralisation or to put it in the words of Lifu ch'un Chairman of the State Planning Commission to carry out divided administration [2]

India is trying to experiment on decentralisation as a matter of political philosophy which is in consonance with a value system most acceptable to her peoples though it is too premature to say anything of its success or otherwise

It seems to point out that a well developed country with efficient transport communications and statistical institutions and other data collecting facilities is more suited to higher degree of centralised control

In a developing nation control should be more a positive measure in the sense that it should stimulate and not stifle the

1 See *The World Today* Vol No 7 July 1957 quoting Party Life No 4 February 1957 Any weakening in the principles of centralism would be contrary to the vital interests of the people and might give rise to tendencies towards local patriotism a striving to transform each economic region into a closed area This would have a disorganising effect on the development of the economy of the country as a whole Experience shows that centralised management is the foundation of the socialist economic system

2 LiFu-ch'un s report to the Eighth Party Congress in 1957 criticised that too much attention was given to centralised Soviet type of plan and advocated greater flexibility at the lower levels Such a highly centralised system is operable only in a highly advanced country Hence in China local governments were gradually given greater power at operational levels See Jen min Sou ts e 1957 (Translated)

local incentive Especially in agricultural sector and in smallscale in dustries greater room should be provided for manoeuvre by the lower tiers of administration to suit the peculiarities and special circums tances of the various regions and vocations All the country is not 'a single chess board The great leap forward apart from other things was in itself an attempt at greater decentralisation in the industrial sector The fact that in industry the leap was into the dark rather than forward proved that in the field of indus trial planning decentralisation could mean absolute anarchy and lack of economy and coordination Hence came the re forms of 1961 and 1962 to bring about greater centralisation But since in both China and Russia the non official bodies, such as they are are either communist party organs or mass orga nisations with communist nucleus, the role played by indepen dent non governmental organisations as such is precious little

The inherent difficulties in the developing nations, like lack of administrative experience and courage, political necessity leading to the feeling that everything has to be kept under strict scrutiny by the centre, especially in countries where political stability has not been achieved lack of proper regional divisions and availability of specialists in all regions are all factors that impede proper delegation

Only when there is proper delegation at various levels and de centralisation can non official agencies bring to bear their assis tance and cooperation Since most non official agencies have only sectional interests and are interested in certain geographical areas their real participation would be confined naturally to these limited spheres A wide range of these spread all over the country cannot make their voices individually felt at the centre The central planning body will be flooded with reports and surveys by such a large number of different varieties of orga nisations interested in certain specified areas that it would be practically impossible to study all of them and integrate their findings For instance a university group may conduct a survey of the impact of adult education It has to confine itself to a particular area and cannot work for the whole country and it can only come to certain conclusions which are valid for the area under study Similarly will a trade union function Un less these non official organisations work in consonance with the regional administration, their opinions will be lost in the general

clamour Hence the need arises for empowering the lower levels of administration with greater powers to work in harmony with the non official organisation and to deal with problems on the spot

The importance of providing adequate and efficient communication media like broadcasting cinema press and wherever possible installation of television etc need hardly be emphasised

IX

REVIEW AND REVISION OF THE PLAN

This is a period of flux and constant change The advanced countries feel the tremendous changes as almost maddening while the less advanced ones on their part are not completely free from the influence of this madding crowd They may not have the rockets, atomic power, colour televisions, telestars, electronics and automatic dish washers (In fact a couple of decades back even the Americans did not know of these) What is still ahead none can ever tell Every year as the advanced countries accelerate their innovations the gaps get widened between them and the developing world Though this rate of development is not visualised by the New Nations anywhere in the foreseeable future, still it is wrong to think that changes of far reaching consequences are not taking place even here and many times these changes are more of an unexpected nature It is almost impossible to predict all changes that would come about for a period of ten years In an advanced country even a period of ten years is too long and the plans have to be so flexible as to be in a position to adopt themselves to the rate of change Mostly, planning is done on the basis of a speculation, rather an informed anticipation and intelligent participation and not on the basis of omniscience In every country the planners have to clearly formulate certain 'givens which, if they are removed will substantially alter all expectations of the planners A few examples of such major factors are

(1) Stability of the political systems in the country

(2) The geographical and climatic conditions

(3) Likely relations with countries offering assistance[1]

(4) Financial and other economic potential

(5) General rate of growth of population

(6) Social and traditional ethos of the people

[1] China s dependence on the Soviet assistance till the schism was a great strategic factor China later on had to change her strategy on the economic front

(7) General trade relations with other countries [1]

(8) If the plan is dependent upon the drive given by a dynamic leader that leader's tenure

(9) If the development of any particular sector is deemed extremely important, that sector For example, production of cocoa by Ghana

According to the conditions prevailing in different countries these factors may differ All these factors constitute the element of risk Therefore, it is of prime importance that the planners are aware of this element so that their efforts may be so channelised as to prepare them to meet adverse situations

In any process of review these factors have to be borne in mind as the basic framework for the next plan formulation The changes that have taken place in these vital factors, the changes that are likely to take place and the precautions that have been adopted for meeting the situation are the relevant issues in the light of which a review of the plan has to be made Review is a process by which the totality of the plan composed of all the objectives, the expectations, the shortcomings are laid threadbare Reviewing therefore depends upon the evaluation machinery In small construction programmes stages can be set and the work accomplished can be measured as against the time, money and material consumed But the same task and precision in terms of social and economic benefits at different stages cannot be so easily measured Review is undertaken to see after particular length of time wherein the plan in operation is deviating from the plan as visualised, so that any changes and adjustments necessary may be effected in time Apart from the fact that the people in general ought to be apprised of the tempo and progress of the plan the planners themselves should keep a strict watch over its progress Unless conditions are idealistic no plan would progress exactly according to the lines which were drawn by the planners Such a possibility is only in terms of a model and not in the world of actuality It is because of the assumption that deviation would occur, and to measure the magnitude of the deviations

1 China's trade relations with East European countries and also Cuba's sugar trade with U S A have suddenly changed the perspectives About one fifth of China's trade with East European countries fell in 1961 to almost 30 to 40 per cent of the 1960 level See *Far Eastern Economic Review* September 1962 p 595

and evaluate whether the deviations are amenable to correction or necessitate a complete reversal of the fundamental postulates, a review has to be made periodically

A plan may be frustrated in implementation if there are certain major draw backs which may either be due to the defect in the human agency or due to things beyond the planners capacity

The defect of the human agency arises as a consequence of either bad plan formulation itself, or faulty execution by incompetent administrative and technical agencies Breakdown of communications, lack of coordination, bad morale corruption, inadequate statistical 'feed in , defective reporting mechanism, changes in private sector where it enjoys freedom are all attributable to the deficiency in human agency

The factors beyond the planners capacity are natural calamities or 'Vis major' and changes of a political nature in which may be included sudden stoppage of any promised foreign assistance or fall in trade due to strained relations or other international trade agreements, sudden threat to the security of the state from external aggression or internal disorder All these exigencies indicate that the plans have to be flexible so that any new development can be accommodated This has to be done by subdividing the total duration of plan into convenient time spans like annual or bi annual periods for review

There can be mainly four types of results in any future occurence whether planned or otherwise—

(1) wanted and anticipated result
(2) wanted but unanticipated result
(3) unwanted but anticipated result, and
(4) unwanted and unanticipated result

One factor has to be borne in mind in a multi faceted socio economic plan That is some of the results may be wanted and anticipated and some of different nature and in the totality it is very difficult to put the whole plan result into any one of these categories Each sector may show a different result and in the combination it is not possible to quantify all the results and strike a balance sheet of evaluation This difficulty is inherent in all human endeavour Mere fulfilment of targets may not indicate the success of the objectives because targets are not in themselves

the ends but only mere mile stones to measure the progress All the fixed targets may be achieved, if at all, and yet there may not be the anticipated social well being Whatever means may be adopted for evaluation, they are subject to these inherent limitations

Human limitations being what they are, the chances of anticipated and wanted results occurring are rare unless figures are faked for 'demonstration effect'[1] The need for flexibility in plan does not arise if there is no deviation between the formulated plan and the actual results Given a reasonable margin for human error and many minor changes in a time span the usual results would belong to the second and third categories There is need for caution when results are desired but unanticipated Apart from the fact that it indicates the timidity and inability of the planners to fully measure the potential in a country, and maximise all the resources of the country, it may in itself not bespeak of an efficient execution

Over fulfilment of a plan is as faulty as under fulfilment Over fulfilment of any particular sector will have its adverse effects on other sectors Even if all the sectors may indicate over fulfilment, in the social sector its adverse effects are bound to be disturbing If not immediately at least in the next plan period, its repercussions are bound to be felt It should not be forgotten that planning is a continuum and hence success or failure should not be measured absolutely in terms of each plan period

Manoeuverability in planning strategy is essential to tackle the unwanted but expected results Many known factors with adverse consequences often militate against the successful fulfilment of plans Anticipated results regarding foreign exchange, domestic savings, capital formation and deficit financing *in India* are interlinked with inflationary tendency which is anticipated but is undesirable How to maximise the former without a commensurable rise in the latter must attract the attention of the planners Different taxes, for example, may yield an anticipated income and serve to 'level down the rich but with draconian taxation measure comes its siamese twin—the ingenious methods of tax evasion[1]

1 It should be admitted that the developing nations do not have the same efficient tools for implementation of fiscal controls as the developed countries

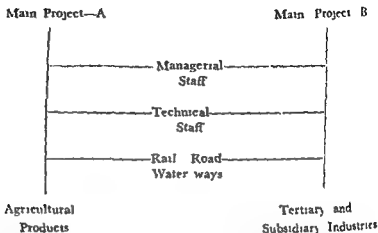
The last category, *viz* 'unwanted and unanticipated result' can be caused either by the total incompetence of the planners, the administrators and technicians and bad data collecting machinery or by acts of god and major political upheavals that subvert the existing state of affairs Among natural calamities, planners have to reckon certain types, like floods, failure of seasonal rains causing famines and other vagaries of nature All economies are generally subject to various fluctuations especially in developing countries which might affect foreign trade balances, or employment or production of basic minimums like food The possibility of breaking down of supply of any strategic material if for such supply there is total dependence on any one country, is a strategic factor for which alternate preparations must be on hand The aim is to restrict the area of 'unanticipated results

Apart from these certain other assumptions may be examined for arriving at a correct assessment

(1) Evaluation of projects cannot be correctly made if each individual project is studied as an independent entity Various projects are so interlinked with each other that the end product has to be the result of all these projects They are generally complementary to each other For example, transport electrical power or even educational project are all complementary to industrial projects Some of the complementary projects of one main project may also be complementary to another main project also

The evaluation of the project A (see p 176) therefore will depend upon the proper evaluation of the sub projects complementary to it While project 'A may show very satisfactory results project B may show unsatisfactory results which may be due to the sucking in by project A of all the supply from the complementary industries In such a case, evaluation based on the final results of project 'A' and project B' without taking into consi-

have The economics of advanced countries for all their declarations of free enterprise are so responsive to public guidance and governmental direction that the charge of creeping socialism has been levelled against such measures in U S A For all the declarations of socialistic pattern in India the percentage of government disposal of total production is just 10% as against nearly 20% by U S A with a free economy' See Harry T Oshima Share of Government in Gross National Product for Various Countries *American Economic Review* June 1957

deration the relative interplay of the feeder projects will be faulty

(2) Is there any agreed rate of return from any individual project below which the project will be either abandoned or changed into a different project? In a business or trading concern (non governmental) that may be the criterion But in a governmental authority whether it is a non trading or a trading authority like the projects supplying hydro electric power or fertiliser supply or any such material needed and purchased by private consumers, appraisal *purely on the basis of returns* cannot be deemed as correct In a developed economy the trading authorities may insist upon a minimum return below which the project will be considered a failure[1]

It is easy to measure economic returns but if a balance sheet has to be struck, due emphasis has to be given to the social returns or probably negative social returns So unless the economic returns are not detrimental to a proper growth of social returns in the macro level a temporary upsurge in economic returns may be completely obliterated by the negative social returns As a result, after a period even economic returns may be negative Factors like social discontent disappointments

1 For example in U K the National Coal Board aims at a attaining an average minimum return. In India also the Third Plan estimates a surplus of Rs 5,00 million from various public undertakings Among 37 central public enterprises only 11 make less than zero per cent profits while [illegible] of them make more than 10% See 'The Principal Public Sector Undertakings 1959-60 Central Statistical Organisation

crime, alcoholism etc will take effect in the long run These of course are elusive and hence not measurable

Hence appraisal has to be not only of the individual projects but also of the totality itself as in a growing socio economic matrix, mutual interdependence of various sectors to promote the envisaged goals of development will tend to increase

(3) Since no evaluation can be completely quantified, there cannot be an objective non political planning The process of evaluation and appraisal is as much subjected to the value system that guided the formulation of the development projects as planning itself 'Objectivisation is obviously difficult while calculating the social benefits and social ill effects To formulate a plan on a particular political scale of values and seek to measure the results on a different scale of values will only be unrealistic

In India an 'independent and objective evaluation is sought to be made through the medium of a Committee on Plan Projects (COPP) This was set up in September 1956 It is composed of Home Minister Planning Commission and two chief ministers of the states nominated by the Prime Minister There are various projects (1) Irrigation and Power (2) Public Works and Buildings (3) Agriculture and Community Development (4) Transport and Communication (5) Public Industrial and Mineral Enterprises and (6) Social Services

Its functions are to organise investigations including field inspection of projects evolving suitable forms of organisation standards and techniques for achieving economy and efficiency and providing machinery for efficiency audit All the reports of its investigations are available for public

In addition to this body the Programme Evaluation Organisation (P E O) which was established in 1952 also functions under the Planning Commission This confines its study to community development and National Extension Services

All these bodies are government sponsored and their composition indicates how the policy formulators are involved in the process of evaluaton as well The seeker after the will o the wisp of objectivity and non political evaluation is apt to remain sorely disappointed

(4) Appraisal has to be continuous and with the plan projects and not undertaken '*ad hoc*' In time scale it may begin after the plan has already been implemented and proceed till long after a particular plan period has ended *Ad hoc* evaluations are also useful in certain cases, but a built in arrangement for an appraisal is an integral part of the planning machinery

A group of programme administration advisers who are in touch with the officers of the various ministries advise the Indian Planning Commission constantly

To enable a continuous and simultaneous process of evaluation there should be various units located at strategic centres like provincial, state or district headquarters, so that they may be in constant touch with the work spots

The need for special reappraisals will arise in case of drastic failure or breakdown of the resources or administrative machinery or similar reasons Special bodies created *ad hoc*' have to carry out an overall reassessment in such a case [1]

The *raison d etre* of reappraisal is the indirect admission that all that man proposesf he cannot completely discharge At every stage he has to stop and look back and see how for his achievements have squared with his aspirations As planners proceed, they may see new vistas, hitherto hidden from their sight New interpretations and new insights might emerge necessitating a re definition of the basic assumptions A proper reappraisal is also intended to refashion and reorient decision making

Reappraisal is the rounding off process at every stage of the plan after which the country has to prepare itself for the next 'leap forward The next plan may set completely different objectives for achievement The character of the plan may undergo a change But it is not likely that a country which has launched upon planning would abandon it and go back to complete free market operations without endangering its stability

The problems of the developing countries are formidable and complex though broadly speaking they are identical with slight local variations Whichever way one looks through the prism he sees only the same seven colours of the vibgyor and

*In India during the Second Five Year Plan period once during May and another time during September 1958 appraisals were made of plan's progress and prospects and also for the resources respectively

whichever way one looks at the developing countries the same problems of poverty, ignorance disease, apathy social disabilies, conservatism etc, stare menacingly The people have to be enthused to better their lot by hard work and the leadership must also be one dedicated to the future dedicated to the ideas of bettering the lot of their followers whatever be the form of government in a country No great work can be achieved without passion said Hegel Planning the socio economic change in a developing country is a mighty task that challenges the men of drive and dedication both in the new nations as well as the advanced nations The greatest revolution in the thinking of the modern era is the realization that prosperity can be shared by all peoples of the world As Arnold Toynbee says this century will be remembered not for its wars horrors and crimes but for the fact that for its being the first era in history in which people dared to think it practicable to make the benefits of civilization available for the whole human race [1] Assistance therefore has to be given by the advanced countries to their less advanced brethren irrespective of what political system they tend to follow at the moment In the fast shrinking world threatened with an irresistible pressure of over population where narrow domestic walls are crumbling and even different ideologies are fast losing their relevence in the context of realities and are reduced to outworn shibboleths, there seems to be no place for foreign aid with strings attached The gaps mentioned earlier have to be filled The developing nations have no time for distinctions in ideologies For quite a distant future there seems to be no possibility of these nations standing on their own fact without assistance It is only a farsighted political and administrative leadership that can appreciate the magnitude of the problem Developmental problem has to be tackled as a national emergency Without political stability that can assure administrative continuity and efficiency, the benefits of planning will not be perceptible to the people and will not inspire their participation A country without this is like a house divided against itself Instead of attracting foreign assistance it will attract foreign intervention

1 Arnold Toynbee Not the Age of Atoms but of Welfare for All 1951

APPENDIX I

Countries classified by Size of Per Capita Income in 1949 and Continental Division

Income per Capita in US Dollars	Population Number (million)	Per Cent	Africa	America North	America South	Asia	Europe and USSR	Oceania
Under 100 Dollars	[illegible]09	31	Kenya N Rhodesia	Dominican Republic	Equador Paraguay	Burma Ceylon India Iran Pakistan Philippines Thailand		
Under 100-200 Dollars	[illegible]84	19	Egypt S Rhodesia	Mexico	Brazil Chile Colombia Peru Surinam	Japan Syria Turkey	Bulgaria Greece Spain Yugoslavia	
Under 200-300 Dollars	82	6	Union of S Africa	Cuba Puerto Rico			Austria Hungary Italy	

Under 300-450 Dollars	30[illegible]	20		Argentina Uruguay	Israel	Czechoslovakia Finland Germany (Western) Ireland Poland USSR	
Under 450-600 Dollars	69	5		Venezuela		Belgium France Iceland Luxembourg Netherlands Norway	
Dollars 600-900	89	6	Canada			Denmark Sweden Switzerland United Kingdom	Australia New Zealand
Under 900 and over Dollars	149	10	U S A				
Total	1 487	100					

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APPENDIX II

MEASURES FOR THE ECONOMIC DEVELOPMENT OF UNDER DEVELOPED COUNTRIES RECOMMENDATIONS*

(Alberto B Cortez George Hakim W Arthur Lewis Theodore W Schultz and D R Gadgil)

Throughout our report we have made numerous suggestions of measures for promoting economic development Not all are equally important We confine ourselves in this part to selecting those which we wish to put forward in the form of recommendations

A National Action by Underdeveloped countries

To provide the preconditions and institutional framework of economic development the government of an under developed country should

Recommendation 1

Make clear to its people its willingness to take vigorous action to remove the obstacles to free and equal opportunity which blunt the incentives and discourage the efforts of its people Under this head we include land reform abolishment of taxation upon a progressive basis and a programme of mass education

Recommendation 2

Establish a central economic unit with the functions of surveying the economy making development programmes advising on the measures necessary for carrying out such programmes and reporting on them periodically The development programmes should contain a capital budget showing the requirements of capital and how much of this is expected from domestic and from foreign sources

In order to promote rapid economic development an underdeveloped country should take the following measures

Recommendation 3

Survey the ways in which production distribution and finance are organised in each of the majors sectors of the economy and take measures of improve their efficiency

*From Measures for the economic development of under-developed countries Report by a Group of experts appointed by the Secretary General of the United Nations United Nations Department of Economic Affairs New York May 1951

Recommendation 4

Survey the prospects of creating how productive employment by industrialization by bringing more land under cultivation by developing mineral resources or by other means and announce its programmes for expanding employment

Recommendation 5

Survey the possibilities of increasing agricultural yields and announce the measures it proposes to adopt in order to effect rapid improvement of yield

Recommendation 6

Prepare a programme covering a period of years for the improvement of public facilities by capital investment

Recommendation 7

Prepare a programme of education and research showing its goals and its proposed expenditures for some such period as five years and showing separately what is proposed for agricultural extension services for industrial training and for the training of scientists and administrators

Recommendation 8

Prepare programmes to stimulate domestic savings including the extension of savings institutions and measures involving taxation and in order to ensure that capital moves into the most productive uses establish a development bank and an agricultural credit system and if necessary take other measures for influencing the direction of investment such as credit controls foreign exchange control or licensing of buildings or capital extensions

B National Action by Developed Countries

Recommendation 9

The developed countries should desist from commercial policies which hinder the development of the underdeveloped countries

(a) They should not fix ceilings for the prices of imports without simultaneously controlling the prices of exports which underdeveloped countries buy from them so as not to affect adversely the terms of trade of these countries and

(b) They should not subsidize the production or the export of commodities which are also produced for export by under-developed countries

Recommendation 10

Developed countries should consider setting up national institutions similar to the Export Import Bank of the United States

Recommendation 11

Developed countries should facilitate foreign private investment by

(a) Taking the initiative in making treaties with underdeveloped countries for the equitable treatment of foreign investments

(b) Offering to insure foreign investments of their nationals against transfer difficulties and

(c) Exempting foreign earned incomes from double taxation

Recommendation 12

During periods when there is a general scarcity of supply of goods, the developed countries should establish machinery to ensure that the underdeveloped countries obtain an equitable share of capital goods and of other materials for maintaining their programmes of development

C Action by United Nation and other International Agencies

Recommendation 13

The International Bank for Reconstruction and Development should set for itself the objective to be reached within the next five years of lending 1 billion annually to underdeveloped countries

Recommendation 14

The United Nations should establish an International Development Authority to assist the underdeveloped countries in preparing coordinating and implementing their programmes of economic development to distribute to under-developed countries grants in aid for specific purpose to verify the proper utilization of such grants and to study and report on the progress of development programmes

Recommendation 15

In order to assist the governments and peoples of Africa to analyse and keep under continuous survey the development problems of that continent the United Nations should establish an Economic Commission for Africa and provide for it an international secretariat

Recommendation 16

The United Nations should explore the possibility of establishing an international finance corporation to make equity investments and to lend to private undertakings operating in underdeveloped countries

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